

DINO POLSKA S.A.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
ALONG WITH THE INDEPENDENT STATUTORY AUDITOR'S AUDIT REPORT

Krotoszyn, 11 March 2021

This document is an unofficial translation of the official Financial Statements of Dino Polska S.A for the year ended 31 December 2020, which has been published in the xHTML format and signed by the Members of the Dino Polska S.A. Management Board and by the Chief Accountant using qualified electronic signatures.

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(in thousands of PLN)

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INTRODUCTION TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Dino Polska S.A. ("Company") was established by notary deed on 9 November 2007.

The Company is entered in the register of commercial undertakings of the National Court Register kept by the District Court, 9th Commercial Division of the National Court Register under file number KRS 0000408273.

The Company has been given the following statistical number: REGON 300820828.

The Company's registered office is located at the following address: Ostrowska 122, 63-700 Krotoszyn.

The Company's duration is unlimited.

According to the Company's articles of association, the Company's core business is:

1. 47.11.Z Retail sale in non-specialized stores with food, beverages or tobacco products predominating,
2. 46.39.Z Non-specialized wholesale of food, beverages and tobacco products.

These financial statements have been prepared for the year ended 31 December 2020.

2. GOING CONCERN ASSUMPTION

The Company's financial statements were drawn up under the assumption that the Company remains a going concern for at least 12 months after the balance sheet date, i.e. after 31 December 2020. As at 31 December 2020, the Group presented an excess of current liabilities over current assets, which is typical for the retail industry and its seasonality, where a predominant part of sales is made for cash, inventories are minimized and suppliers offer deferred payment terms. At the same time, the Company intensively develops its network using free cash and funding from bank loans to increase the value of new investments. Covenants related to loan agreements are monitored on an ongoing basis. As at the balance sheet date of 31 December 2020, there was no default on the terms and conditions of credit agreements and the Management Board is of the opinion there is no risk that banks may terminate such agreements within 12 months of the balance sheet date of 31 December 2020. The Company monitors the epidemiological situation and its impact on its business on an ongoing basis. In 2020 the Company rolled out a rigorous sanitary regime in all of its areas of activity and smoothly adapted to the evolving sanitary requirements, preventive measures and restrictions imposed on store networks by the government. As a result, the Company was able to maintain business continuity and its operational efficiency in full in all of the areas of its activity. Despite the COVID-19 pandemic, all of the areas of the Company's operating activity are functioning efficiently as at the date of these financial statement and there are no significant reasons for revising the performance targets or plans set by the Management Board for 2021, nor has the existence of any circumstances indicating a threat to the Company continuing its operations been ascertained.

3. MERGER OF COMMERCIAL COMPANIES

In the financial year for which the financial statements were drawn up, the Company did not merge with a subsidiary, nor did it purchase any organized part of any enterprise.

4. ADOPTED ACCOUNTING PRINCIPLES (POLICIES)

4.1. Format and grounds for drawing up the financial statements

The financial statements were drawn up pursuant to the provisions of the Accounting Act of 29 September 1994 (hereinafter "Accounting Act").

The financial statements have been prepared under the historical cost convention.

The Company has drawn up its profit and loss account by using the comparative format. The statement of cash flows has been drawn up using the indirect method.

4.2. The differences in the value of the disclosed data and the material differences pertaining to the accepted accounting standards (policies) between the financial statements drawn up in accordance with Polish Accounting Standards and the financial statements drawn up according to IFRS

The Company is the Group's parent company, which has an obligation to prepare consolidated financial statements according to the IFRS standards endorsed by the EU. The Group in which the Company is the parent company prepared its first annual consolidated financial statements compliant with IFRS endorsed by the EU for the financial year ended 31 December 2013. The Group selected 1 January 2013 as the date of transition to IFRS.

The Company's date of transition to IFRS cannot be determined definitively because the Company has not made a decision on that date, nor has it prepared its first financial statements compliant with IFRS endorsed by the EU. Had the financial statements been prepared in accordance with IFRS, the main differences between the accounting standards accepted for the attached financial statements and IFRS, under the assumption that the date of transition to IFRS is 1 January 2013, would pertain in particular to the following areas:

- Determination of the residual value of fixed assets,
- Separation of components and determination of depreciation charges for the actual periods of use,
- Retraction of the calculated depreciation charges for trademarks as of the date of the Group's transition to IFRS,
- Recognition of fixed assets and lease liabilities under IFRS16.

The table below depicts the differences as at 31 December 2020:

Adjustment as at 31 December 2020	Carrying amount according to PAS	Carrying amount according to IFRS	Value adjustment
Property, plant and equipment	2,597,950	2,483,309	(114,641)
Right-of-use assets	-	456,276	456,276
Intangible assets	24,630	33,313	8,683
Deferred tax assets	46,517	-	(46,517)
Total non-current assets	3,424,928	3,728,730	303,802
Equity	1,716,207	1,715,180	(1,027)
Lease liabilities	21,811	287,490	265,679
Deferred tax liability	47,916	553	(47,363)
Total non-current liabilities	1,064,225	1,282,542	218,317
Trade and other payables	1,972,922	1,903,007	(69,915)
Lease liabilities	28,986	115,498	86,512
Income tax liabilities	-	69,915	69,915
Total current liabilities	2,207,402	2,293,914	86,512

Table depicting the effects of the disclosed differences in net profit and equity:

Equity according to PAS	1,716,207
Adjusted depreciation and amortization on account of residual value	1,535
Adjusted depreciation and amortization on account of the separation of components	(1,803)
Adjustment - amortization of trademarks	7,033
Adjustment - lease of fixed assets	(7,792)
Equity according to IFRS	1,715,180
Net profit according to PAS	468,036
Adjusted depreciation and amortization on account of residual value	82
Adjusted depreciation and amortization on account of the non-recurring retirement of fixed assets	(45)
Adjusted depreciation and amortization on account of the separation of components	(612)
Adjustment - amortization of trademarks	781
Adjustment - lease of fixed assets	(2,724)
Actuarial gains/losses pertaining to employee benefits	(293)
Net profit according to IFRS	465,225
Other comprehensive income	293

The presentation of some lines items of the financial statements may differ between Polish Accounting Standards and IFRS. The differences in presentation do not affect the Company's equity and net result. The components of the various line items of the financial statements and the scope of additional information to the financial statements according to the Polish Accounting Standards and IFRS may differ to a material degree.

The identification and measurement of these differences require the preparation of estimates and assumptions that do affect the disclosed figures. Even though the accepted assumptions and estimates are based on the Company's best knowledge, the actual figures may vary from the anticipated figures. This note identifying the major areas of difference between Polish Accounting Standards and IFRS has been drawn up on the basis of IFRS in force as at 31 December 2020 and under the assumption that the date for transition to IFRS is 1 January 2013. Since work is still in progress on more standards and amending the current standards it is possible that the standards according to which the Company will prepare its first financial statements complying with IFRS will differ from the standards applicable to the preparation of this note. The assumption concerning the date as of which the values of assets and liabilities would be determined in the Company's financial statements complying with IFRS stems from the option for the Management Board to utilize the exemption contemplated by paragraph 24 of IFRS 1, according to which the Company may accept the values carried in the parent company's consolidated financial statements compliant with IFRS on the basis of the parent company's date of transition to IFRS, i.e. 1 January 2013; however, the Company's Management Board may in any event alter that decision and it may accept its own date for the transition to applying IFRS.

Moreover, according to IFRS, only complete financial statements containing a balance sheet, a statement of comprehensive income and/or a statement of profit or loss, a statement of changes in equity, a statement of cash flows with comparable data and notes may accurately present financial standing, business results and cash flow according to IFRS.

4.3. Intangible assets

Intangible assets are recognized if it is likely that they will precipitate receipt of economic benefits by the Company which may be directly linked to these assets. Intangible assets are initially captured at purchase price or production cost. After the initial capture, intangible assets are carried at purchase price or production cost minus accumulated depreciation and impairment charges. Intangible assets are depreciated by straight-line depreciation over the period corresponding to the estimated period of their useful life.

The anticipated period of useful life is as follows:

Patents, licenses and trademarks	2 - 20 years
Software	2 - 7 years
Other intangible assets	Not applicable

The estimates of the period of useful life and the depreciation method are reviewed at the end of every financial year to verify whether the applied methods and the depreciation period are consistent with the expected distribution of economic benefits generated by these intangible assets.

As at the balance sheet date, the Company evaluates whether the carrying amount of presented assets does not exceed the value of future expected economic benefits. If there are grounds indicating such a fact, the carrying amount of the assets is reduced to the net sale price level. Impairment losses are posted in other operating expenses.

4.4. Fixed assets

Fixed assets are carried at purchase price or production cost minus accumulated depreciation or impairment charges. In the case of perpetual usufruct right to land, the purchase price is construed as the price of purchase of the right from a third party or surplus of the first fee over the annual fee if the right was acquired for a fee from the municipality. Land is carried at purchase price minus any impairment charges.

As at 31 December 2020 the Company had no fixed assets subject to revaluation.

The costs incurred after commencing the usage of a fixed asset, such as the costs of repair, inspections and user fees, affect the financial result of the financial year in which they were incurred. However, if it is possible to prove that these costs increased the expected future economic benefits on account of holding the fixed asset, surpassing the benefits assumed originally, then they increase the initial value of the fixed asset.

Fixed assets, with the exception of land, are depreciated by using the straight-line method corresponding to the expected period of their useful life or over the shorter of the two periods:

Perpetual usufruct right to land	Not depreciated
Buildings, premises, rights to premises and civil and marine engineering facilities	10 - 40 years
Technical equipment and machinery	3 - 12 years
Means of transport	5 - 7 years
Other fixed assets	3 - 12 years

The estimates of the period of useful life and the depreciation method are reviewed at the end of every financial year to verify whether the applied methods and the depreciation period are consistent with the expected distribution of economic benefits generated by that fixed asset over time.

As at the balance sheet date, the Company evaluates whether the carrying amount of presented assets does not exceed the value of future expected economic benefits. If there are grounds indicating such a fact, the carrying amount of the assets is reduced to the net sale price level. Impairment losses are posted in other operating expenses.

4.5. Fixed assets under construction

Fixed assets under construction are carried at the total amount of costs directly related to their purchase or manufacture, including financial expenses, minus impairment charges. Investment materials are also shown in fixed assets under construction. Fixed assets under construction are not depreciated until their construction is completed and they are commissioned.

4.6. Related entities

The Company construes related entities as two or more companies from a group where a group is understood as a parent company together with its subsidiaries.

4.7. Investments in subordinated entities, capital exposure and other non-current investments

Investments in subordinated entities comprise investments in subsidiaries, co-subsidiaries and affiliates. The Company construes subsidiaries as entities controlled by the Company, co-subsidiaries as entities under joint control by the shareholders under a shareholder agreement, and affiliates as entities in which it has capital exposure and on which it has significant influence. At the same time exposure to capital of another entity is understood by the Company as any share in the equity of such other entity that has the nature of a permanent relation. In the case of an affiliate, a permanent relation is present always unless disposal of the share soon after the date of its acquisition, purchase or obtaining in another form is highly probable.

Investments in subsidiaries, co-subsidiaries and affiliates are carried at historical cost minus any impairment.

Other non-current investments (excluding financial assets as described in note 4.8) are carried at historical cost minus any impairment.

Impairment of shares in subordinated entities and other non-current investments is estimated as at every balance sheet date. The carrying amount of such assets is each time reviewed to determine whether or not it exceeds the value of future economic benefits.

4.8. Other current investments (excluding cash and financial assets)

Other current investments, except for cash and financial instruments, are marked to the lower of the market price (value), while short-term investments for which there is no active market, are carried at fair value.

The effects of increase or decrease of the value of current investments at market prices (values) are posted directly to financial income or cost.

4.9. Financial assets

Financial assets, at the time they are entered in the accounting ledgers, are carried at cost (purchase price) constituting the fair value of the amount paid. Transaction costs are included in the initial value of the financial instruments. Financial assets are posted in the accounting ledgers as at the transaction date.

After the initial recognition, financial assets are classified in one of the four categories and measured as follows:

<i>Category</i>	<i>Valuation method</i>
1. Financial assets held to maturity	At the adjusted purchase price (amortized cost) calculated using the effective interest rate
2. Granted loans and own receivables	At the adjusted purchase price (amortized cost) calculated using the effective interest rate. Receivables with a short-term maturity, for which no interest rate was defined, are carried at the required payment amount
3. Financial assets held for trading	At fair value and gains/losses on their revaluation are posted to the profit and loss account
4. Financial assets available for sale	At fair value, while gains/losses on their revaluation are recognized in the profit and loss account until the investment is sold or its value is impaired. At that moment, the overall revaluation gain/loss is recorded in the profit and loss account

The fair value of financial instruments traded on an active market is calculated in reference to the prices quoted on that market as at the balance sheet date. If no market price is quoted, then the fair value is estimated on the basis of a quoted market price of a similar instrument or according to the expected cash flows.

Impairment of financial assets

As at every balance sheet date, the Company evaluates whether there is objective evidence indicating impairment of a financial asset or a group of financial assets. If such evidence exists, the Company determines the asset value that may be estimated to be recoverable and posts an impairment loss in the amount of the difference between the recoverable amount and the carrying amount.

Impairment losses concerning a single financial asset or a portfolio of similar financial assets are determined:

- 1) for financial assets carried at adjusted purchase price – as the difference between the value of such assets resulting from the accounting ledgers as at the valuation date and the recoverable amount. The recoverable amount is the present value of future cash flows expected by the entity, discounted by the effective interest rate applied hitherto by the entity in its valuation of the financial asset being revalued or the portfolio of similar financial assets being revalued,
- 2) for financial assets carried at fair value – as the difference between the purchase price of the relevant asset and its fair value determined as at the valuation date, where the fair value of debt financial instruments as at the valuation date is construed as the present value of future cash flows expected by the entity, discounted by the current market interest rate applied to similar financial instruments. The cumulative loss recognized as of that day in the revaluation reserve is counted towards financial expenses with that loss being no lower than the impairment loss minus the portion directly included in financial expenses,
- 3) for other financial assets – as the difference between the value of the relevant asset resulting from the accounting ledgers and the present value of future cash flows expected by the entity, discounted by the current market interest rate applied to similar financial instruments.

4.10. Leases

The Company is a party to leasing agreements pursuant to which it accepts third party fixed assets or intangibles to use them or draw benefits from them against a charge for an agreed period of time.

In the case of lease agreements which transfer generally the entire risk and all benefits resulting from holding the assets subject to the agreement, the leased item is presented as a fixed asset in the balance sheet and at the same time a liability is posted in the amount equal to the present value of minimum lease payments set on the lease commencement date. Leasing payments are allocated to financial expenses and to the reduction of outstanding debt in a manner enabling the achievement of a fixed interest rate on the outstanding liability. Financial expenses are captured directly in the profit and loss account.

Fixed assets subject to a financial lease agreement are depreciated according to the method applied to own fixed assets. However, if there is no control over the moment of transfer of the ownership title to the leased item or certainty whether such transfer has been effected, then fixed assets used under financial lease agreements are depreciated over the shorter of the two following periods: the expected utilization period or the leasing period.

Lease payments for agreements that do not satisfy the conditions of being financial leases are recognized as operating expenses in the statement of profit or loss using the straight line depreciation method during the term of lease. Depending on the goal of using a leased object, lease payments are treated as operating expenses (including: overhead or sales) or other operating expenses.

4.11. Inventories

Inventories are measured at purchase price, no higher than their net realizable price.

The purchase price or the production cost of an inventory component takes into account the costs of purchase, the costs of conversion and other equipment costs incurred in bringing the inventories to make their present location and condition - both in terms of the current and the previous year - and are determined as follows:

Materials	at purchase price using the “first in, first out” method
Finished goods and work in progress	the cost of direct materials and labor and an appropriate overhead of indirect manufacturing costs determined under the assumption of normal production capacity utilization, excluding borrowing costs
Merchandise	at purchase price using the “first in, first out” method

The net realizable price is the estimated sales price that can be achieved in the course of the entity’s normal business, less the costs of finishing and the estimated costs required to finalize the sale. The costs of transport from the warehouse to the stores are an element of valuation of the inventories and cost of sales at the time of their sale. Moreover, in order to state in real terms the balance of inventories at the end of the reporting period, the Group sets up a provision for expected, though unidentified inventory losses based on the historical statistics for inventory differences identified in commercial facilities.

4.12. Short and long-term receivables

Trade receivables are shown as the amount of the required payment minus the impairment losses.

Receivables are revalued taking into account the probability of their payment, by posting an impairment loss. Impairment losses against receivables are carried to other operating expenses or financial expenses, respectively, depending on the type of receivables to which the impairment loss applies.

Receivables that have been forgiven, expired or are uncollectible reduce the impairment loss posted previously.

Receivables that have been forgiven, expired or are uncollectible, for which impairment losses were not posted or where they were posted at a less than full amount, are included in other operating expenses or financial expenses, respectively.

4.13. Transactions denominated in a foreign currency

Transactions denominated in currencies other than the Polish zloty are converted into Polish zloty at the exchange rate applied on the date of the transaction or, if it is impossible to apply such an exchange rate, at the average exchange rate announced for the relevant currency by the National Bank of Poland on the date preceding the date of the transaction.

As at the balance sheet date, the assets and liabilities denominated in currencies other than the Polish zloty are converted into Polish zloty using the average exchange rate in force on that date for the relevant currency as announced by the National Bank of Poland. The foreign exchange gains and losses resulting from such conversion are captured respectively as financial income or financial expense line items or, in the cases defined by the law, are capitalized in the value of assets.

The following exchange rates have been adopted for the purposes of the valuation:

	<i>31 December 2020</i>	<i>31 December 2019</i>
EUR	4.6148	4.2585

4.14. Cash and cash equivalents

Cash at bank and in hand is valued at par value.

Cash and short-term deposits disclosed in the balance sheet include cash at bank and cash in hand, as well as short-term deposits with an original maturity of up to three months. The balance of cash and cash equivalents presented in the statement of cash flows consists of the aforementioned cash and cash equivalents.

4.15. Deferred revenue

The Company records accruals and prepayments of costs if they apply to future reporting periods. Accruals and pre-paid expenses are made at the amount of the probable liabilities for the current reporting period.

4.16. Share capital

Share capital is captured in the amount stated in the Company's articles of association and entered in the court register. If shares are subscribed for at a price exceeding their par value, the share premium is captured in supplementary capital. The costs incurred for the issue of new shares decrease supplementary capital from the issue of shares above par value to the amount of such capital. Other costs are classified as financial expenses.

Any advances toward the dividend disbursed during the year are presented in the accounting ledgers and in the balance sheet as profit distributions made during the financial year.

4.17. Provisions

Provisions are recognized when the Company has an obligation (legal or constructive) resulting from past events and when it is certain or highly probable that the discharge of this obligation will cause an outflow of funds embodying economic benefits, and when the amount of the obligation may be reliably estimated.

4.18. Bank loans, other loans and financial liabilities held for trading

At the time of initial recognition, bank loans and other loans are carried at cost, corresponding to the value of received cash, taking into account the costs associated with obtaining the loan (transaction costs). Next, all bank loans and other loans, except for liabilities held for trading, are carried at adjusted purchase price (amortized cost) calculated using the effective interest rate.

Financial liabilities held for trading, including derivative instruments, are carried at fair value. Gains or losses on revaluation to fair value are posted to the profit and loss account for the current period.

4.19. Trade payables

The amount of trade payables is determined by discounting projected future cash flows to their present value using pre-tax discount rates reflecting current market estimates of the time value of money and risks, if any, specific to a given obligation. If a discounting-based method was used, an increase of a liability associated with passage of time is recognized as financial expenses. The Company assumes the discount rate at the level of the average interest rate on its financial liabilities in the period.

Trade payables in reverse factoring are presented in the line item "Trade and other payables" in current liabilities, provided that the reverse factoring has not caused a significant change in the terms of payment. The assessment of whether a fundamental change in the conditions of payment has occurred is the Management Board's judgment described in the section professional judgment of the financial statements.

4.20. Borrowing costs

The cost of external funding related to construction, adjustment, installation or improvement of fixed assets is captured, throughout the construction, adjustment, installation or improvement period, at the value of such assets, provided that these liabilities have been incurred for that purpose.

Financial expenses pertaining to financing with trade liabilities adjust the value of goods sold, inventories, liabilities and receivables, and are captured in the profit and loss account as interest cost.

4.21. Deferred tax

Deferred income tax is calculated by using the method of balance sheet liabilities in relation to all temporary differences as at the balance sheet date between the tax value of assets and liabilities and their carrying amount shown in the financial statements.

The deferred income tax provision is recognized with reference to all positive temporary differences unless the deferred income tax provision is recognized as a result of depreciating goodwill or initial presentation of an asset or liability in a transaction which does not constitute a business combination and at the moment of its execution has no influence on the gross financial result and taxable income or taxable loss.

The deferred income tax provision is recognized with reference to all positive temporary differences ensuing from investments in subsidiaries or associates, and interests in joint ventures, except for situations in which the timing and amounts of the temporary differences being reversed are subject to control or it is probable that the temporary differences will not reverse in the foreseeable future.

The deferred income tax asset is carried, with respect to all negative temporary differences and unused tax losses brought forward to the subsequent years, at such a probable expected taxable income amount as will make it possible to use those differences and losses unless deferred tax assets are created as a result of an initial presentation of an asset or liability component in a transaction that does not constitute a merger of entities and at the moment of its execution it has no influence on the gross financial result, taxable income or taxable loss.

In the case of deductible temporary differences associated with shares in subsidiaries or associates and interests in joint ventures, the related deferred tax asset is recognized in the balance sheet only for the amount of the taxable income, in respect to which it is probable that it can be expected to be generated in the foreseeable future (as a result of the reversal of these temporary differences) which would enable the deductible temporary differences to be offset.

The carrying amount of the deferred income tax asset is verified on every balance sheet date and is gradually reduced by the amount by which the achievement of taxable income sufficient for the deferred income tax asset is partially or fully realized.

Deferred tax assets and deferred tax liabilities are measured using tax rates that will be applied according to the regulations enacted up to the balance sheet date at the time when the asset is realised or the liability is settled.

Uncertainty related to tax settlements

Regulations regarding VAT, corporate income tax and social security contributions are subject to frequent changes. These frequent changes result in there being little point of reference, interpretations not consistent and few established precedents that may be followed. The binding regulations also contain uncertainties resulting in differences in opinions regarding the legal interpretation of tax regulations both between government bodies, and between government bodies and companies.

Tax settlements and other areas of activity (e.g. customs or foreign currency related issues) may be subject to inspection by administrative bodies authorized to impose high penalties and fines, and any additional taxation liabilities calculated as a result must be paid together with high interest.

Accordingly, the amounts presented and disclosed in the financial statements may change in the future as a result of a final decision of tax audit authorities.

Effective 15 July 2016, the Polish Tax Code was amended for the General Anti-Abuse Rule (GAAR) provisions. GAAR is intended to prevent the creation and use of artificial legal arrangements to avoid payment of tax in Poland.

GAAR defines tax avoidance as an act carried out primarily in order to achieve a tax benefit, contrary in the circumstances to the object and goal of a provision of a tax act. Pursuant to GAAR, such an act does not result in a tax benefit, if the mode of action was not genuine. All unjustified (i) split of operations, (ii) involvement of intermediary entities without any economic or business justification, (iii) elements that compensate or exclude each other and (iv) other actions with a similar effect to the previously mentioned, may be considered as prerequisites of artificial activities subject to GAAR. The new regulation will require significantly more judgment in assessment of the tax consequences of individual transactions.

The GAAR clause is effective with respect to transactions executed following its entry into force and transactions that were carried out before, but the benefits were / are being derived after the date of its entry into force. Implementation of the above provisions will enable the Polish tax authorities to challenge legal arrangements used by the taxpayers such as group restructurings and reorganizations.

Deferred tax assets and deferred tax provisions are presented separately in the balance sheet.

4.22. Recognition of revenues

Revenues are recognized in the amount to which it is probable that the Company will obtain the economic benefits which may be valued credibly.

4.22.1. Sales of merchandise and products

Revenues are captured when the significant risk and benefits arising from the title to the merchandise or products are transferred to the buyer. Revenues include due or obtained amounts from sales minus value added tax.

Revenues on sales of services are presented as revenues on sales of products. These revenues are recognized at the time of completion of the service. Revenues related to the benefits from the sale of services to suppliers of goods (e.g. marketing services), the Group presents as a deduction in cost of goods purchased from such vendors.

Settlement of revenue under contracts with suppliers

The Company enters into contracts with suppliers on whose basis rebates, discounts and additional remuneration and fees are awarded to the Company, hinging, among other things, on the volume of purchases and related to promotions and marketing. The Company recognizes the benefits derived from these contracts by subtracting them from the purchase price of merchandise from suppliers and accordingly a reduction in the cost of goods sold presented in the statement of profit or loss as cost of sales at the time of sale of the merchandise. The justified portion of the benefits received is allocated to unsold merchandise as at the balance sheet date as a reduction in the value thereof.

4.22.2. Interest

Interest income is recognized at the time it is accrued (using the effective interest rate) if its receipt is not doubtful.

4.22.3. Dividends

Dividends due are posted as financial income as at the date of adoption of the resolution, by the Shareholder Meeting of the company in which the entity has invested, to distribute the profit by way of a dividend unless the resolution specifies another dividend right day.

4.22.4. Subsidies and grants

Subsidies and grants are carried at fair value in situations where there is sufficient certainty that the subsidy will be obtained and that all the conditions necessary to obtain the subsidy will be fulfilled. If the subsidy or grant is related to a cost item, then it is deferred in the balance sheet and regularly captured in the relevant income item in a manner ensuring commensurability with the costs intended to be offset by the subsidy.

If the purpose of the subsidy or grant is to finance the purchase or manufacturing of a fixed asset, then it is deferred in the balance sheet and captured as income throughout the period of depreciation of the fixed asset.

4.22.5. Social assets and liabilities of the Company Social Benefit Fund (ZFŚS)

Pursuant to the Company Social Benefit Fund Act of 4 March 1994 (as amended), the Company Social Benefit Fund must be established by employers employing at least 50 employees on an FTE basis. The Company does not charge and does not have funds for the Social Fund in accordance with paragraph 15 of the Remuneration Bylaws (consolidated text of 31 October 2013, as amended).

DINO POLSKA S.A.
Financial statements for the year ended 31 December 2020
Balance sheet

BALANCE SHEET

Assets

(in thousands of PLN)

	Note	As at 31.12.2020	As at 31.12.2019
A. Non-current assets		3,424,928	2,660,390
I. Intangible assets	6	24,630	26,024
3. Other intangible assets		24,630	26,024
II. Property, plant and equipment	7	2,597,950	1,848,345
1. Fixed assets		2,426,989	1,763,005
a) land (including the perpetual usufruct right to land)		494,972	335,637
b) buildings, premises, rights to premises and civil and marine engineering facilities		1,355,728	971,051
c) technical equipment and machinery		324,693	256,928
d) means of transport		77,373	62,526
e) other fixed assets		174,223	136,863
2. Fixed assets under construction		170,961	85,340
III. Non-current receivables		-	-
IV. Non-current investments		755,831	755,835
3. Long-term financial assets		755,831	755,835
a) In related entities	8.1	755,831	755,835
- ownership interests or shares		755,831	755,835
V. Non-current deferred revenue		46,517	30,186
1. Deferred tax assets	26	46,517	30,186
B. Current assets		1,562,906	1,257,896
I. Inventories	24	847,617	601,195
1. Materials		34,968	-
2. Semi-finished goods and work in progress		-	-
3. Finished products		-	-
4. Merchandise		812,649	601,195
II. Current receivables		142,519	100,447
1. Receivables from related entities	41	1 135	1 021
a) for goods and services with a term of payment:		1 109	991
- up to 12 months		1 109	991
b) other		26	30
2. Receivables from entities to which the company has equity exposure		-	-
3. Receivables from other entities		141,384	99,426
a) for goods and services with a term of payment:		47,531	44,591
- up to 12 months		47,531	44,591
b) on taxes, subsidies, customs duties, social security and health insurance or other public dues		56,737	25,683
c) other		37,116	29,152
III. Current investments		569,586	554,276
1. Current financial assets		569,586	554,276
a) In related entities	41	145,941	176,539
- loans granted	8.2	145,040	176,539
- other current financial assets	8.2	901	-
b) in other entities		-	-
c) cash and other cash assets	34	423,645	377,737
- cash on hand and on accounts		180,613	63,091
- other cash		243,032	314,646
IV. Current deferred revenue	9	3,184	1,978
C. Contributions due to share capital		-	-
D. Treasury stock		-	-
Total assets		4,987,834	3,918,286

The balance sheet should be analyzed together with the notes and explanations, which constitute an integral part of the financial statements

DINO POLSKA S.A.
Financial statements for the year ended 31 December 2020
Balance sheet

Equity and liabilities

(in thousands of PLN)

	Note	As at 31.12.2020	As at 31.12.2019
A. Equity		1,716,207	1,248,171
I. Share capital	10	9,804	9,804
II. Supplementary capital		1,208,019	889,818
III. Revaluation reserve (fund)		-	-
IV. Other reserve capital (fund)		-	-
V. Profit (loss) brought forward		-	-
VI. Net profit (loss)		468,036	318,201
VII. Other items of equity		30,348	30,348
VIII. Charges to net profit during the financial year (negative figure)		-	-
B. Liabilities and provisions for liabilities		3,271,627	2,670,115
I. Provisions for liabilities	13	51,673	39,639
1. Deferred tax liability	26	47,916	37,114
2. Provision for pension and similar benefits		3,757	2,525
- non-current		2,514	1,621
- current		1,243	904
II. Non-current liabilities		1,013,795	681,932
1. To related entities		-	-
2. To other entities in which the company has equity exposure		-	-
3. To other entities	11	1,013,795	681,932
a) loans and borrowings		572,048	463,217
b) for issue of debt securities		419,936	169,926
c) other financial liabilities		21,811	48,789
III. Current liabilities		2,166,999	1,922,179
1. Liabilities to related entities	41	472,996	387,921
a) for goods and services with a term of being due and payable:		305,457	237,852
- up to 12 months		305,457	237,852
b) other		167,539	150,069
2. Liabilities to other entities in which the company has equity exposure		-	-
3. Liabilities to other entities		1,694,003	1,534,258
a) loans and borrowings	11	164,161	113,461
b) for issue of debt securities		930	100,724
c) other financial liabilities	11	28,986	43,337
d) for goods and services with a term of being due and payable:		1,240,810	1,076,628
- up to 12 months		1,240,810	1,076,628
e) advances received for supplies and services		-	-
f) liabilities for bills of exchange		-	-
g) on taxes, customs duties, social security and health insurance or other public dues		140,168	112,531
h) payroll		78,272	53,741
i) other		40,676	33,836
IV. Accruals and deferred revenue		39,160	26,365
1. Negative goodwill		-	-
2. Other deferred revenue	17	39,160	26,365
- non-current		-	34
- current		39,160	26,331
Total liabilities and equity		4,987,834	3,918,286

The balance sheet should be analyzed together with the notes and explanations, which constitute an integral part of the financial statements

DINO POLSKA S.A.
Financial statements for the year ended 31 December 2020
Profit and loss account

PROFIT AND LOSS ACCOUNT (COMPARABLE VERSION)

(in thousands of PLN)

	Note	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
A. Net revenues on sales and equivalents	21	10,115,839	7,624,411
- from related entities		8,340	6,265
I. Net revenue on sales of products and services		21,615	15,973
IV. Net revenue on sales of goods and materials		10,094,224	7,608,438
B. Operating expenses		9,490,536	7,178,889
I. Depreciation and amortization		144,840	115,379
II. Consumption of materials and energy		146,736	104,124
III. External services		489,827	418,077
IV. Taxes and fees, including:		38,653	28,772
V. Employee benefits		884,836	632,459
VI. Social security and other benefits, of which:		206,244	138,032
- pension		84,260	61,317
VII. Other costs by nature		41,662	33,987
VIII. Cost of goods and materials sold		7,537,738	5,708,059
C. Sales profit (loss) (A – B)		625,303	445,522
D. Other operating income	27	6,374	6,283
I. Profit on disposal of non-financial non-current assets		-	-
II. Grants		202	202
III. Revaluation of non-financial assets		-	-
IV. Other operating income		6,172	6,081
E. Other operating expenses	28	5,486	4,188
I. Loss on disposal of non-financial non-current assets		2,325	2,585
II. Revaluation of non-financial assets		-	-
III. Other operating expenses		3,161	1,603
F. Operating profit (loss) (C+D-E)		626,191	447,617
G. Financial income	29	8,777	7,218
I. Dividends i profit sharing		-	-
II. Interest, including:		5,627	7,047
- from related entities		5,255	6,829
III. Profit on disposal of financial assets		-	-
IV. Revaluation of financial assets		-	-
V. Other		3,150	171
H. Financial expenses	30	56,508	62,076
I. Interest, including:		48,575	55,661
- to related entities		885	187
II. Loss on disposal of financial assets, including:		-	-
III. Revaluation of financial assets		-	-
IV. Other		7,933	6,415
I. Profit / (loss) before tax (F + G - H)		578,460	392,759
J. Income tax	26	110,424	74,558
K. Other mandatory decreases of profit (increases of loss)		-	-
L. Net profit (loss) (I – J – K)		468,036	318,201

The profit and loss account should be analyzed together with the notes and explanations, which constitute an integral part of the financial statements

DINO POLSKA S.A.
Financial statements for the year ended 31 December 2020
Statement of changes in equity

STATEMENT OF CHANGES IN EQUITY

(in thousands of PLN)

	Note	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
I. Equity at the beginning of the period (OB)		1,248,171	929,970
I.a. Equity at the beginning of the period (OB), adjusted		1,248,171	929,970
1. Share capital at the beginning of the period		9,804	9,804
1.1. Movement in share capital		-	-
1.2. Share capital at the end of the period	10	9,804	9,804
2. Supplementary capital at the beginning of the period		889,818	681,260
2.1. Changes to supplementary capital		318,201	208,558
(i) increase		318,201	208,558
- profit distribution	12.1	318,201	208,558
b) decrease		-	-
2.2. Balance of supplementary capital at the end of the period		1,208,019	889,818
3. Revaluation reserve at the beginning of the period		-	-
3.1. Changes in the revaluation reserve		-	-
3.2. Revaluation reserve at the end of the period		-	-
4. Other reserve capital at the beginning of the period		-	-
4.1. Change in other reserve capital		-	-
4.2. Other reserve capital at the end of the period		-	-
5. Profit (loss) brought forward at the beginning of the period		318,201	208,558
5.1. Profit brought forward at the beginning of the period		318,201	208,558
5.2. Profit brought forward at the beginning of the period, adjusted		318,201	208,558
(i) increase		-	-
b) decrease		(318,201)	(208,558)
- profit distribution - transfer to supplementary capital	12.1	(318,201)	(208,558)
5.3. Profit brought forward at the end of the period		-	-
5.4. Loss brought forward at the beginning of the period		-	-
5.5. Loss brought forward at the beginning of the period, adjusted		-	-
(i) increase		-	-
b) decrease		-	-
5.6. Losses brought forward at the end of the period		-	-
5.7. Profit (loss) brought forward at the end of the period		-	-
6. Net result		468,036	318,201
a) net profit		468,036	318,201
b) net loss		-	-
c) charges to profit		-	-
7. Other items of equity at the beginning of the period		30,348	31,783
7.1 Change in other items of equity		-	(1,435)
(i) increase		-	(1,435)
- effect of settlement of the merger with a subsidiary		-	(1,435)
7. Other items of equity at the end of the period		30,348	30,348
8. Charges to net profit during the financial year (negative figure)		-	-
II. Equity at the end of the period (CB)		1,716,207	1,248,171
III. Equity after considering the proposed distribution of profits (coverage of losses)		1,716,207	1,248,171

The statement of changes in equity should be analyzed together with the notes and explanations, which constitute an integral part of the financial statements

DINO POLSKA S.A.
Financial statements for the year ended 31 December 2020
Statement of cash flows

STATEMENT OF CASH FLOWS (INDIRECT METHOD)

(in thousands of PLN)

	Note	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
A. Cash flow from operating activities			
I. Net profit (loss)		468,036	318,201
II. Total adjustments		208,086	382,564
1. Depreciation and amortization		144,840	115,379
2. Gains (losses) arising from changes in foreign currency exchange rates		-	-
3. Interest and profit sharing (dividends)	35	48,951	48,879
4. Profit (loss) on investing activity		2,325	2,585
5. Movement in provisions		12,034	9,969
6. Movement in inventories		(246,422)	(172,574)
7. Movement in receivables	35	(42,160)	(5,485)
8. Movement in current liabilities, except for loans and borrowings	35	293,260	385,285
9. Movement in prepayments, accruals and deferred revenue		(4,742)	(1,474)
III. Net cash flow from operating activities (I±II)		676,122	700,765
B. Cash flow from investing activities			
I. Inflows		94,469	115,683
1. Sale of intangible assets and property, plant and equipment		741	2,570
2. Sale of investments in real property and intangible assets		-	-
3. From financial assets, of which:		93,728	113,113
a) in related entities		93,357	112,895
b) in other entities		371	218
- interest		371	218
II. Outflows		(927,049)	(815,143)
1. Purchase of intangible assets and property, plant and equipment		(870,449)	(666,838)
2. Investments in real property and intangible assets		-	-
3. Towards financial assets, of which:		(56,600)	(148,305)
a) in related entities		(56,600)	(148,305)
III. Net cash flow from investing activities (I-II)		(832,580)	(699,460)
C. Cash flow from financing activities			
I. Inflows		557,869	319,137
1. Net inflows on the delivery of shares (share issue) and other equity instruments and capital contributions		-	-
2. Loans and borrowings		307,869	149,137
3. Issue of debt securities		250,000	170,000
4. Other financial proceeds		-	-
II. Outflows		(355,503)	(202,089)
1. Purchase of treasury shares		-	-
2. Dividends and other distributions to owners		-	-
3. Profit-sharing expenditures other than distributions to owners		-	-
4. Repayment of loans and borrowings		(155,239)	(96,056)
5. Redemption of debt securities		(100,000)	-
6. On account of other financial liabilities		-	-
7. Payment of finance lease liabilities		(43,761)	(44,243)
8. Interest		(48,891)	(55,834)
9. Other financial expenditures		(7,612)	(5,956)
III. Net cash from financing activities (I-II)		202,366	117,048
D. Total net cash flow (A.III±B.III±C.III)		45,908	118,353
E. Balance sheet movement in cash, including		45,908	118,353
- movement in cash arising from changes in foreign currency exchange rates		-	-
F. Cash at the beginning of the period		377,737	259,384
G. Cash at the end of the period (F±D), including	34	423,645	377,737
- restricted cash		1	54

The statement of cash flows should be analyzed together with notes and explanations, which constitute an integral part of the financial statements

DINO POLSKA S.A.
Financial statements for the year ended 31 December 2020
Notes and explanations

FINANCIAL HIGHLIGHTS

	000' PLN		000' EUR*	
	<i>01.01.2020- 31.12.2020</i>	<i>01.01.2019- 31.12.2019</i>	<i>01.01.2020- 31.12.2020</i>	<i>01.01.2019- 31.12.2019</i>
Sales revenue	10,115,839	7,624,411	2,260,927	1,772,377
Operating profit	626,191	447,617	139,956	104,053
Profit before tax	578,460	392,759	129,288	91,301
Net profit	468,036	318,201	104,608	73,969
Number of shares	98,040,000	98,040,000	98,040,000	98,040,000
Basic / diluted earnings per share in PLN, EUR	4.77	3.25	1.07	0.75
Cash flow from operating activities	676,122	700,765	151,116	162,900
Cash flow from investing activities	(832,580)	(699,460)	(186,085)	(162,597)
Cash flow from financing activities	202,366	117,048	45,230	27,209
Net change in cash and cash equivalents	45,908	118,353	10,261	27,512

* In the case of data in EUR, the average EUR/PLN exchange rate in the period was used, as published by the National Bank of Poland:

- NBP's average exchange rate in 2020: 4.4742 PLN/EUR
- NBP's average exchange rate in 2019: 4.3018 PLN/EUR

	000' PLN		000' EUR*	
	<i>as at 31 December 2020</i>	<i>as at 31 December 2019</i>	<i>as at 31 December 2020</i>	<i>as at 31 December 2019</i>
Total assets	4,987,834	3,918,286	1,080,834	920,109
Total non-current assets	3,424,928	2,660,390	742,162	624,725
Total current assets	1,562,906	1,257,896	338,673	295,385
Equity	1,716,207	1,248,171	371,892	293,101
Share capital	9,804	9,804	2,124	2,302
Non-current liabilities	1,013,795	681,932	219,683	160,134
Current liabilities	2,166,999	1,922,179	469,576	451,375

In the case of data in EUR, the average EUR/PLN exchange rates in the period, as published by the National Bank of Poland, were used:

- NBP's average exchange rate as at 31 December 2020: 4.6148 PLN/EUR
- NBP's average exchange rate as at 31 December 2019: 4.2585 PLN/EUR

NOTES AND EXPLANATIONS

1. INFORMATION ABOUT SIGNIFICANT EVENTS CONCERNING THE PREVIOUS YEARS CAPTURED IN THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR

Up to the date of preparing the financial statements for the financial year, no significant events occurred during previous years that should be captured in the financial year's financial statements.

2. INFORMATION ABOUT SIGNIFICANT EVENTS THAT OCCURRED AFTER THE BALANCE SHEET DATE AND THAT HAVE NOT BEEN CAPTURED IN THE FINANCIAL STATEMENTS

After the balance sheet date and up to the date of drawing up the financial statements for the financial year, no significant events other than described in Note 48 occurred that were not captured in the financial year's financial statements.

3. CHANGES IN THE ACCOUNTING PRINCIPLES (POLICIES) IN THE FINANCIAL YEAR

The financial statements for the current and previous financial year have been prepared using the same accounting principles (policies), except for a change in the method of presenting how cash en route is recognized, which is shown as other cash. At the same time, a retroactive restatement of comparable data for 2019 was performed as presented in the table below.

<i>(in thousands of PLN)</i>	<i>Approved data</i>		<i>Restated data</i>	
	<i>As at</i>		<i>As at</i>	
	<i>31.12.2019</i>	<i>Change</i>	<i>31.12.2019</i>	
B. Current assets	1,257,896	-	1,257,896	
III. Current investments	554,276	-	554,276	
1. Current financial assets	554,276	-	554,276	
c) cash and other cash assets	377,737	-	377,737	
- cash on hand and on accounts	79,330	(16,239)	63,091	
- other cash	298,407	16,239	314,646	
Total assets	3,918,286	-	3,918,286	

4. CORRECTION OF ERRORS

During the financial year there were no corrections of errors which could have impact on comparability of the financial data for the previous year and the data from the financial statements for the current financial year.

5. COMPARABILITY OF THE FINANCIAL DATA FOR THE PREVIOUS YEAR AND THE DATA FROM THE FINANCIAL STATEMENTS FOR THE CURRENT FINANCIAL YEAR

In the current year the Company did not make any changes to the accounting policies other than in note 3 or correct any errors and consequently it was not obligated to present figures ensuring comparability of the financial statements for the previous financial year with the financial statements for the current financial year.

6. INTANGIBLE ASSETS

Year ended 31 December 2020

<i>c</i>	<i>Costs of completed development work</i>	<i>Goodwill</i>	<i>Other intangible assets</i>	<i>Advance payments towards intangible assets</i>	<i>Total</i>
Initial value					
Opening balance	-	-	49,877	-	49,877
Increases, including:	-	-	4,137	-	4,137
Purchase	-	-	4,137	-	4,137
Decreases, including:	-	-	(238)	-	(238)
Liquidation	-	-	(238)	-	(238)
Closing balance	-	-	53,776	-	53,776

DINO POLSKA S.A.
 Financial statements for the year ended 31 December 2020
 Notes and explanations

<u>Depreciation</u>					
Opening balance	-	-	23,853	-	23,853
Increases, including:	-	-	5,531	-	5,531
Depreciation in the period	-	-	5,531	-	5,531
Decreases, including:	-	-	(238)	-	(238)
Liquidation	-	-	(238)	-	(238)
Closing balance	-	-	29,146	-	29,146
<u>Net value</u>					
Opening balance	-	-	26,024	-	26,024
Closing balance	-	-	24,630	-	24,630

Year ended 31 December 2019

<i>(in thousands of PLN)</i>	<i>Costs of completed development work</i>	<i>Goodwill</i>	<i>Other intangible assets</i>	<i>Advance payments towards intangible assets</i>	<i>Total</i>
<u>Initial value</u>					
Opening balance	-	-	42,118	-	42,118
Increases, including:	-	-	7,759	-	7,759
Purchase	-	-	7,759	-	7,759
Decreases	-	-	-	-	-
Closing balance	-	-	49,877	-	49,877
<u>Depreciation</u>					
Opening balance	-	-	19,250	-	19,250
Increases, including:	-	-	4,603	-	4,603
Depreciation in the period	-	-	4,603	-	4,603
Decreases	-	-	-	-	-
Closing balance	-	-	23,853	-	23,853
<u>Net value</u>					
Opening balance	-	-	22,868	-	22,868
Closing balance	-	-	26,024	-	26,024

DINO POLSKA S.A.
Financial statements for the year ended 31 December 2020
Notes and explanations

7. PROPERTY, PLANT AND EQUIPMENT

Year ended 31 December 2020

<i>(in thousands of PLN)</i>	<i>Land</i>	<i>Buildings, premises, rights to premises and civil and marine engineering facilities</i>	<i>Technical equipment and machinery</i>	<i>Means of transport</i>	<i>Other fixed assets</i>	<i>Fixed assets under construction</i>	<i>Total</i>
Gross value as at 1 January	335,637	1,015,193	403,099	91,143	274,466	85,340	2,204,878
Purchases						891,978	891,978
Sales	(12)	(5)	(1,202)	(2,004)	(140)	(2)	(3,365)
Liquidation	-	-	(2,946)	-	(4,249)	(2,028)	(9,223)
Transfer from fixed assets under construction	159,347	415,190	120,915	26,857	82,018	(804,327)	-
Gross value as at 31 December	494,972	1,430,378	519,866	115,996	352,095	170,961	3,084,268
Accumulated depreciation and impairment losses as at 1 January	-	44,142	146,171	28,617	137,603	-	356,533
Depreciation charge for the period	-	30,508	52,355	11,889	44,557	-	139,309
Sales	-	-	(768)	(1,883)	(107)	-	(2,758)
Liquidation	-	-	(2,585)	-	(4,181)	-	(6,766)
Accumulated depreciation and impairment losses as at 31 December	-	74,650	195,173	38,623	177,872	-	486,318
Net value as at 1 January	335,637	971,051	256,928	62,526	136,863	85,340	1,848,345
Gross value as at 31 December	494,972	1,355,728	324,693	77,373	174,223	170,961	2,597,950

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Year ended 31 December 2019

<i>(in thousands of PLN)</i>	<i>Land</i>	<i>Buildings, premises, rights to premises and civil and marine engineering facilities</i>	<i>Technical equipment and machinery</i>	<i>Means of transport</i>	<i>Other fixed assets</i>	<i>Fixed assets under construction</i>	<i>Total</i>
Gross value as at 1 January	215,672	633,371	310,022	58,708	217,506	72,887	1,508,166
Purchases						706,216	706,216
Sales	(158)	-	(960)	(420)	(1,706)	(12)	(3,256)
Liquidation	-	(2,126)	(1,409)	(616)	(440)	(1,657)	(6,248)
Transfer from fixed assets under construction	120,123	383,948	95,446	33,471	59,106	(692,094)	-
Gross value as at 31 December	335,637	1,015,193	403,099	91,143	274,466	85,340	2,204,878
Accumulated depreciation and impairment losses as at 1 January	-	25,262	105,919	18,977	101,045	-	251,203
Depreciation charge for the period	-	20,427	41,567	10,598	38,184	-	110,776
Sales	-	-	(452)	(342)	(1,311)	-	(2,105)
Liquidation	-	(1,547)	(863)	(616)	(315)	-	(3,341)
Accumulated depreciation and impairment losses as at 31 December	-	44,142	146,171	28,617	137,603	-	356,533
Net value as at 1 January	215,672	608,109	204,103	39,731	116,461	72,887	1,256,963
Gross value as at 31 December	335,637	971,051	256,928	62,526	136,863	85,340	1,848,345

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As at 31 December 2020, the value of land in perpetual usufruct was PLN 31,018 thousand (PLN 24,836 thousand as at 31 December 2019).

As at 31 December 2020, fixed assets with the net value of PLN 82,685 thousand were used on the basis of financial lease agreements (PLN 147,378 thousand as at 31 December 2019).

As at 31 December 2020, based on operational lease, rental, lease and other agreements (except for financial lease agreements), the Company used fixed assets with the value of approx. PLN 951,091 thousand (PLN 905,192 thousand as at 31 December 2019).

Capital expenditures carried out in the current financial year were PLN 891,978 thousand (PLN 706,216 thousand in 2019). In 2020 and 2019, there were no expenditures related to environmental protection. The Company does not plan to incur capital expenditures for this purpose in 2021. The capital expenditures planned for 2021 are PLN 900 million.

As at 31 December 2020 and 31 December 2019, the Company did not have any liabilities towards the state budget or local government units by virtue of obtaining the ownership right to buildings and structures or cost of service (including exchange gains and losses) of liabilities incurred to finance fixed assets under construction captured in the manufacturing cost (purchase price).

8. INVESTMENTS

8.1. Non-current investments

Year ended 31 December 2020

<i>(in thousands of PLN)</i>	<i>Real estate</i>	<i>Intangible assets</i>	<i>Long-term financial assets in related entities</i>	<i>Long-term financial assets in other entities in which the entity has capital exposure</i>	<i>Total</i>
Opening balance, including:	-	-	755,835	-	755,835
Gross value	-	-	755,835	-	755,835
Increases, including:	-	-	-	-	-
Purchase	-	-	-	-	-
Other	-	-	-	-	-
Decreases, including:	-	-	(4)	-	(4)
Other	-	-	(4)	-	(4)
Closing balance, including:	-	-	755,831	-	755,831
Gross value	-	-	755,831	-	755,831

Year ended 31 December 2019

<i>(in thousands of PLN)</i>	<i>Real estate</i>	<i>Intangible assets</i>	<i>Long-term financial assets in related entities</i>	<i>Long-term financial assets in other entities in which the entity has capital exposure</i>	<i>Total</i>
Opening balance, including:	-	-	727,435	-	727,435
Gross value	-	-	727,435	-	727,435
Increases, including:	-	-	28,400	-	28,400
Purchase	-	-	28,400	-	28,400
Decreases	-	-	-	-	-
Closing balance, including:	-	-	755,835	-	755,835
Gross value	-	-	755,835	-	755,835

On 14 October 2020 the subsidiary doing business as Vitrena Holdings Ltd. was deleted from the business register. In 2019, Dino Polska S.A. acquired an additional stake in its subsidiary Centrum Wynajmu Nieruchomości sp. z o.o.

8.2. Current investments

Current investments, net of cash and other cash assets involve the following:

Year ended 31 December 2020

<i>(in thousands of PLN)</i>	<i>Ownership interests and shares</i>	<i>Loans granted</i>	<i>Other - mortgage sureties</i>	<i>Total</i>
Opening balance, including:	-	176,539	-	176,539
Gross value	-	176,539	-	176,539
Increases, including:	-	62,017	901	62,918
Purchase	-	62,017	901	62,918
Decreases, including:	-	(93,516)	-	(93,516)
Other - repayments	-	(93,516)	-	(93,516)
Closing balance, including:	-	145,040	901	145,941
Gross value	-	145,040	901	145,941

Year ended 31 December 2019

<i>(in thousands of PLN)</i>	<i>Ownership interests and shares</i>	<i>Other securities</i>	<i>Loans granted</i>	<i>Total</i>
Opening balance, including:	-	27,570	134,691	162,261
Gross value	-	27,570	134,691	162,261
Increases, including:	-	-	149,030	149,030
Purchase	-	-	149,030	149,030
Decreases, including:	-	(27,570)	(107,182)	(134,752)
Other - repayments	-	(27,570)	(107,182)	(134,752)
Closing balance, including:	-	-	176,539	176,539
Gross value	-	-	176,539	176,539

9. ACCRUALS AND PREPAYMENTS

<i>(in thousands of PLN)</i>	<i>31.12.2020</i>	<i>31.12.2019</i>
Deferred tax assets	46,517	30,186
Total non-current	46,517	30,186
Costs of rental-related fees	1,113	-
Insurance costs	1,299	1,224
Other	772	754
Total current	3,184	1,978

10. CAPITAL

As at 31 December 2020 the Company's share capital was PLN 9,804 thousand and was divided into 98,040,000 shares with a nominal value of PLN 0.10 each.

As at 31 December 2019 the Company's share capital was PLN 9,804 thousand and was divided into 98,040,000 shares with a nominal value of PLN 0.10 each.

There are no shares in the Company with special control powers attached. Nor are there any restrictions on the exercise of voting rights or transferability of legal title to Dino shares.

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As at the balance sheet date, the ownership structure of the Company's share capital was as follows:

31 December 2020

<i>Shareholder</i>	<i>Number of shares</i>	<i>Percentage of share capital</i>	<i>Percentage of votes at the Shareholder Meeting</i>
Tomasz Biernacki with a subsidiary	50,160,000	51.16%	51.16%
Other shareholders	47,880,000	48.84%	48.84%
Total	98,040,000	100.00%	100.00%

31 December 2019

<i>Shareholder</i>	<i>Number of shares</i>	<i>Percentage of share capital</i>	<i>Percentage of votes at the Shareholder Meeting</i>
Tomasz Biernacki with a subsidiary	50,103,000	51.10%	51.10%
Other shareholders	47,937,000	48.90%	48.90%
Total	98,040,000	100.00%	100.00%

11. INTEREST-BEARING BANK CREDIT AND LOANS AND OTHER FINANCIAL LIABILITIES

The table below presents financial liabilities to unrelated entities. Transactions involving obtained loans and other payables to related entities are presented in Note 41.

<i>(in thousands of PLN)</i>	<i>31.12.2020</i>	<i>31.12.2019</i>
<i>Current</i>		
Liabilities under finance lease agreements and hire-purchase agreements	28,986	43,337
Investment loans	138,252	93,007
Loans to finance current activity	25,754	19,998
Borrowing	155	456
Bonds	930	100,724
Total current	194,077	257,522
<i>Non-current</i>		
Liabilities under finance lease agreements and hire-purchase agreements	21,811	48,789
Investment loans	465,252	402,990
Loans to finance current activity	106,796	60,071
Borrowing	-	156
Bonds	419,936	169,926
Total non-current	1,013,795	681,932

12. PROFIT DISTRIBUTION

12.1. Profit distribution for the previous year

The Ordinary Shareholder Meeting held on 2 July 2020 adopted a resolution to allocate the profit for the previous year to supplementary capital.

12.2. Profit distribution

The financial statements were prepared prior to the adoption of the resolution to distribute profit for the current year. The Company's Management Board will propose to allocate the profit for the year to the Company's supplementary capital.

13. PROVISIONS

The following movements in provisions transpired in the reporting periods covered by the financial statements:

Year ended 31 December 2020

<i>(in thousands of PLN)</i>	<i>Deferred tax liability</i>	<i>Provision for pension and similar benefits</i>	<i>Total</i>
As at 1 January 2020	37,114	2,525	39,639
Increases	-	1,232	1,232
Reversal	10,802	-	10,802
Utilization	-	-	-
As at 31 December 2020, including:	47,916	3,757	51,673
Non-current	47,916	2,514	50,430
Current	-	1,243	1,243

Year ended 31 December 2019

<i>(in thousands of PLN)</i>	<i>Deferred tax liability</i>	<i>Provision for pension and similar benefits</i>	<i>Total</i>
As at 1 January 2019	27,793	1,877	29,670
Increases	-	648	648
Reversal	9,321	-	9,321
Utilization	-	-	-
As at 31 December 2019, including:	37,114	2,525	39,639
Non-current	37,114	1,621	38,735
Current	-	904	904

14. IMPAIRMENT LOSSES FOR RECEIVABLES

Year ended 31 December 2020

<i>(in thousands of PLN)</i>	<i>Impairment losses for non-current receivables</i>	<i>Impairment losses for current receivables</i>
As at 1 January 2020	-	188
Increases	-	274
- on account of cash shortages	-	-
- impairment losses for settlements	-	274
Utilization	-	(84)
- on account of cash shortages	-	-
- impairment losses for settlements	-	(84)
Reversal	-	(3)
- impairment losses for settlements	-	(3)
As at 31 December 2020	-	375

Year ended 31 December 2019

<i>(in thousands of PLN)</i>	<i>Impairment losses for non-current receivables</i>	<i>Impairment losses for current receivables</i>
As at 1 January 2019	-	224
Increases	-	127
- on account of cash shortages	-	-
- impairment losses for settlements	-	127
Utilization	-	(162)
- on account of cash shortages	-	-
- impairment losses for settlements	-	(162)
Reversal	-	(1)
- impairment losses for settlements	-	(1)
As at 31 December 2019	-	188

15. NON-CURRENT LIABILITIES

Structure of the due and payable date of non-current liabilities:

31 December 2020

<i>(in thousands of PLN)</i>	<i>up to 1 year</i>	<i>1 - 3 years</i>	<i>3 - 5 years</i>	<i>more than 5 years</i>	<i>Total</i>
Non-current liabilities to related entities	-	-	-	-	-
To other entities in which the company has equity exposure	-	-	-	-	-
Non-current liabilities to related entities, including:	194,077	830,223	171,876	11,696	1,207,872
a) bank loans and borrowings	164,161	388,653	171,699	11,696	736,209
b) for issue of debt securities	930	419,936	-	-	420,866
d) for finance leases	28,986	21,634	177	-	50,797
Non-current liabilities, total as at 31 December 2020	194,077	830,223	171,876	11,696	1,207,872

31 December 2019

<i>(in thousands of PLN)</i>	<i>up to 1 year</i>	<i>1 - 3 years</i>	<i>3 - 5 years</i>	<i>more than 5 years</i>	<i>Total</i>
Non-current liabilities to related entities	-	-	-	-	-
To other entities in which the company has equity exposure	-	-	-	-	-
Non-current liabilities to related entities, including:	257,522	429,729	198,716	53,487	939,454
a) bank loans and borrowings	113,461	216,176	193,554	53,487	576,678
b) for issue of debt securities	100,724	169,926	-	-	270,650
d) for finance leases	43,337	43,627	5,162	-	92,126
Non-current liabilities, total as at 31 December 2019	257,522	429,729	198,716	53,487	939,454

16. SOCIAL ASSETS AND LIABILITIES

The Act on the Company Social Benefits Fund of 4 March 1994, as amended requires companies employing 50 or more people to establish and run a company social benefits fund.

Social assets and liabilities did not occur in the year ended 31 December 2020 and 31 December 2019. The Company does not assess or carry any assets in the Company Social Benefits Fund in accordance with paragraph 15 of the Remuneration Bylaws (consolidated text of 31 October 2013, as amended).

17. ACCRUALS AND DEFERRED REVENUE

<i>(in thousands of PLN)</i>	<i>31.12.2020</i>	<i>31.12.2019</i>
1. Negative goodwill	-	-
2a. Total other non-current deferred revenue	-	34
- grants	-	34
2b. Total other current deferred revenue	39,160	26,331
Other, including:	39,160	26,331
- provision for unused holiday leave	39,022	26,061
- provision for auditing the financial statements	104	68
- grants	34	202
Deferred revenue – total	39,160	26,365

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18. LIABILITIES SECURED ON THE ENTITY'S ASSETS

The Company had the following types of liabilities secured on its assets (in thousands of PLN):

31 December 2020

No.	Type of liability	Date agreement signed	Outstanding liability as at	Interest rate	Date of repayment	Collateral type
			31 December 2020* (thousands of PLN)			
1	Credit facility BANK 1	2012-01-26	-	WIBOR + margin	2021-10-31	joint contractual mortgage, assignment of rights to an insurance policy
2	Credit facility BANK 1	2011-04-13	347	WIBOR + margin	2021-04-12	joint contractual mortgage, assignment of rights to an insurance policy
3	Credit facility BANK 1	2013-05-23	10,833	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
4	Credit facility BANK 1	2016-10-25	30,814	WIBOR + margin	2024-10-24	joint contractual mortgage, assignment of rights to an insurance policy
5	Credit facility BANK 1	2016-10-25	91,765	WIBOR + margin	2025-04-24	joint contractual mortgage, assignment of rights to an insurance policy
6	Credit facility BANK 1	2019-02-11	64,000	WIBOR + margin	2026-08-11	joint contractual mortgage, assignment of rights to an insurance policy
7	Credit facility BANK 1	2020-02-07	145,700	WIBOR + margin	2023-11-06	joint contractual mortgage, assignment of rights to an insurance policy
8	Credit facility BANK 2	2018-02-19	51,296	WIBOR + margin	2023-02-18	joint contractual mortgage, assignment of rights to an insurance policy
9	Credit facility BANK 3	2013-11-22	1,038	WIBOR + margin	2023-10-31	joint contractual mortgage, assignment of rights to an insurance policy
10	Credit facility BANK 3	2012-03-08	1,513	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
11	Credit facility BANK 3	2014-01-09	8,955	WIBOR + margin	2023-11-30	joint contractual mortgage, assignment of rights to an insurance policy
12	Credit facility BANK 3	2015-04-17	10,897	WIBOR + margin	2025-03-31	joint contractual mortgage, assignment of rights to an insurance policy
13	Credit facility BANK 3	2016-08-16	2,721	WIBOR + margin	2021-07-30	joint contractual mortgage, assignment of rights to an insurance policy
14	Credit facility BANK 3	2016-11-04	-	WIBOR + margin	2022-10-06	joint contractual mortgage, assignment of rights to an insurance policy
15	Credit facility BANK 4	2020-04-03	38,050	WIBOR + margin	2025-04-02	joint contractual mortgage, assignment of rights to an insurance policy
16	Credit facility BANK 4	2018-08-09	30,000	WIBOR + margin	2023-08-08	joint contractual mortgage, assignment of rights to an insurance policy
17	Credit facility BANK 4	2019-08-08	64,500	WIBOR + margin	2024-07-21	joint contractual mortgage, assignment of rights to an insurance policy
18	Credit facility BANK 4	2018-08-09	-	WIBOR + margin	2021-08-08	joint contractual mortgage, assignment of rights to an insurance policy
19	Credit facility BANK 5	2014-04-15	-	WIBOR + margin	2022-04-14	joint contractual mortgage, assignment of rights to an insurance policy
20	Credit facility BANK 5	2014-04-15	12,506	WIBOR + margin	2022-04-14	joint contractual mortgage, assignment of rights to an insurance policy
21	Credit facility BANK 5	2018-07-03	47,917	WIBOR + margin	2026-07-02	joint contractual mortgage, assignment of rights to an insurance policy
22	Credit facility BANK 5	2016-04-15	10,938	WIBOR + margin	2024-04-14	joint contractual mortgage, assignment of rights to an insurance policy
23	Credit facility BANK 5	2020-08-24	-	WIBOR + margin	2027-08-23	joint contractual mortgage, assignment of rights to an insurance policy
24	Credit facility BANK 6	2017-03-20	-	WIBOR + margin	2021-03-31	joint contractual mortgage, assignment of rights to an insurance policy
25	Credit facility BANK 6	2017-03-20	57,143	WIBOR + margin	2025-12-31	joint contractual mortgage, assignment of rights to an insurance policy
26	Credit facility BANK 6	2019-09-04	56,066	WIBOR + margin	2025-09-04	joint contractual mortgage, assignment of rights to an insurance policy
27	Credit facility BANK 7	2018-10-03	-	WIBOR + margin	2021-10-01	joint contractual mortgage, assignment of rights to an insurance policy, statement of submission to enforcement under art. 777 par. 1 item 5 of the Code of Civil Procedure
28	Borrowing	2016-02-24	155	WIBOR + margin	2021-02-28	bill of exchange
TOTAL			737,154			

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31 December 2019

No.	Type of liability	Date agreement signed	Outstanding liability as at 31 December 2019*	Interest rate	Date of repayment	Collateral type
			(thousands of PLN)			
1	Credit facility BANK 1	2012-01-26	-	WIBOR + margin	2019-10-28	joint contractual mortgage, assignment of rights to an insurance policy
2	Credit facility BANK 1	2011-04-13	1,463	WIBOR + margin	2021-04-12	joint contractual mortgage, assignment of rights to an insurance policy
3	Credit facility BANK 1	2013-05-23	21,667	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
4	Credit facility BANK 1	2016-10-25	39,031	WIBOR + margin	2024-10-24	joint contractual mortgage, assignment of rights to an insurance policy
5	Credit facility BANK 1	2016-10-25	112,941	WIBOR + margin	2025-04-24	joint contractual mortgage, assignment of rights to an insurance policy
6	Credit facility BANK 1	2019-02-11	75,294	WIBOR + margin	2026-08-11	joint contractual mortgage, assignment of rights to an insurance policy
7	Credit facility BANK 2	2018-02-19	58,803	WIBOR + margin	2023-02-18	joint contractual mortgage, assignment of rights to an insurance policy
8	Credit facility BANK 3	2013-11-22	1,404	WIBOR + margin	2023-10-31	joint contractual mortgage, assignment of rights to an insurance policy
9	Credit facility BANK 3	2012-03-08	3,026	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
10	Credit facility BANK 3	2014-01-09	12,141	WIBOR + margin	2023-11-30	joint contractual mortgage, assignment of rights to an insurance policy
11	Credit facility BANK 3	2015-04-17	13,461	WIBOR + margin	2025-03-31	joint contractual mortgage, assignment of rights to an insurance policy
12	Credit facility BANK 3	2016-08-16	3,237	WIBOR + margin	2021-07-30	joint contractual mortgage, assignment of rights to an insurance policy
13	Credit facility BANK 3	2016-11-04	-	WIBOR + margin	2019-10-08	joint contractual mortgage, assignment of rights to an insurance policy
14	Credit facility BANK 4	2014-12-18	4,319	WIBOR + margin	2020-06-17	joint contractual mortgage, assignment of rights to an insurance policy
15	Credit facility BANK 4	2016-05-12	18,250	WIBOR + margin	2021-05-11	joint contractual mortgage, assignment of rights to an insurance policy
16	Credit facility BANK 4	2018-08-09	37,500	WIBOR + margin	2023-08-08	joint contractual mortgage, assignment of rights to an insurance policy
17	Credit facility BANK 4	2019-08-08	20,000	WIBOR + margin	2024-07-21	joint contractual mortgage, assignment of rights to an insurance policy
18	Credit facility BANK 4	2018-08-09	-	WIBOR + margin	2021-08-08	joint contractual mortgage, assignment of rights to an insurance policy
19	Credit facility BANK 5	2014-04-15	-	WIBOR + margin	2020-04-14	joint contractual mortgage, assignment of rights to an insurance policy
20	Credit facility BANK 5	2014-04-15	20,838	WIBOR + margin	2022-04-14	joint contractual mortgage, assignment of rights to an insurance policy
21	Credit facility BANK 5	2018-07-03	50,000	WIBOR + margin	2026-07-02	joint contractual mortgage, assignment of rights to an insurance policy
22	Credit facility BANK 5	2016-04-15	14,062	WIBOR + margin	2024-04-14	joint contractual mortgage, assignment of rights to an insurance policy
23	Credit facility BANK 6	2017-03-20	-	WIBOR + margin	2019-03-19	joint contractual mortgage, assignment of rights to an insurance policy
24	Credit facility BANK 6	2017-03-20	69,524	WIBOR + margin	2025-12-31	joint contractual mortgage, assignment of rights to an insurance policy
25	Credit facility BANK 7	2018-10-03	-	WIBOR + margin	2021-10-01	joint contractual mortgage, assignment of rights to an insurance policy, statement of submission to enforcement under art. 777 par. 1 item 5 of the Code of Civil Procedure
26	Borrowing	2016-02-24	611	WIBOR + margin	2021-02-28	bill of exchange
TOTAL			577,572			

* Balance of liabilities net of commissions.

In addition, the liabilities for loans and lease agreements also have security interests in the form of blank bills of exchange.

19. CONTINGENT LIABILITIES, ALSO INCLUDING THE GUARANTEES AND SURETIES EXTENDED BY THE ENTITY, ALSO ON BILLS OF EXCHANGE

As at 31 December 2020 the Company had the following contingent liabilities:

1. surety for amortization of an investment loan drawn down by Agro-Rydzyna sp. z o.o., agreement of 14 December 2011 entered into with BRE Bank S.A. (mBank SA) for the amount of PLN 14,750 thousand. The loan has a floating interest rate. The final date of repayment is 31 August 2021. The surety covers the principal, interest on the principal and other costs.
2. surety for amortization of an investment loan drawn down by Dino Krotoszyn sp. z o.o., agreement of 15 January 2018 entered into with PKO BP S.A. for the amount of PLN 16,137 thousand. The loan has a floating interest rate. The final date of repayment is 24 October 2024. The surety covers the principal, interest on the principal and other costs.
3. surety for amortization of an investment loan drawn down by Centrum Wynajmu Nieruchomości sp. z o.o., agreement of 16 August 2016 entered into with mBank S.A. for the amount of PLN 32,000 thousand. The loan has a floating interest rate. The final date of repayment is 30 July 2021. The surety covers the principal, interest on the principal and other costs.
4. surety for amortization of an overdraft agreement drawn down by Agro-Rydzyna sp. z o.o., agreement of 13 November 2018 entered into with BGŻ BNP Paribas SA for the amount of PLN 35,000 thousand. The loan has a floating interest rate. The final date of repayment is 31 March 2021. The surety covers the principal, interest on the principal and other costs.
5. surety for amortization of an investment loan drawn down by Centrum Wynajmu Nieruchomości sp. z o.o., agreement of 2 January 2020 entered into with PKO BP SA for the amount of PLN 50,000 thousand. The loan has a floating interest rate. The final date of repayment is 2 April 2023. The surety covers the principal, interest on the principal and other costs.
6. surety for amortization of an investment loan drawn down by Centrum Wynajmu Nieruchomości 4 S.A., agreement of 05 June 2020 entered into with PKO BP SA for the amount of PLN 50,000 thousand. The loan has a floating interest rate. The final date of repayment is 05 September 2023. The surety covers the principal, interest on the principal and other costs.

As at 31 December 2019 the Company had the following contingent liabilities:

1. surety for amortization of an investment loan drawn down by Agro-Rydzyna sp. z o.o., agreement of 14 December 2011 entered into with BRE Bank S.A. (mBank SA) for the amount of PLN 14,750 thousand. The loan has a floating interest rate. The final date of repayment is 31 August 2021. The surety covers the principal, interest on the principal and other costs.
2. surety for amortization of an investment loan drawn down by Dino Krotoszyn sp. z o.o., agreement of 15 January 2018 entered into with PKO BP S.A. for the amount of PLN 16,137 thousand. The loan has a floating interest rate. The final date of repayment is 24 October 2024. The surety covers the principal, interest on the principal and other costs.
3. surety for amortization of an investment loan drawn down by Centrum Wynajmu Nieruchomości sp. z o.o., agreement of 16 August 2016 entered into with mBank S.A. for the amount of PLN 32,000 thousand. The loan has a floating interest rate. The final date of repayment is 30 July 2021. The surety covers the principal, interest on the principal and other costs.
4. surety for amortization of an overdraft agreement drawn down by Agro-Rydzyna sp. z o.o., agreement of 13 November 2018 entered into with BGŻ BNP Paribas SA for the amount of PLN 15,000 thousand. The loan has a floating interest rate. The final date of repayment is 13 November 2020. The surety covers the principal, interest on the principal and other costs.

20. OTHER AGREEMENTS NOT INCORPORATED IN THE BALANCE SHEET

As at 31 December 2020 and as at 31 December 2019 the Company did not have any material off-balance sheet liabilities not disclosed in the financial statements.

21. SALES SPLIT BY NATURE AND TERRITORY

The sales revenue split by nature in 2020 and 2019 was as follows:

<i>Type of activity (in thousands of PLN)</i>	<i>01.01.2020-31.12.2020</i>	<i>01.01.2019-31.12.2019</i>
1. Sales of services	21,615	15,973
2. Sales of merchandise	10,094,224	7,608,438
Net sales revenue, total	10,115,839	7,624,411

All the sales revenues in the current and previous financial year were generated domestically.

22. IMPAIRMENT LOSSES FOR FIXED ASSETS

The Company did not take any impairment losses for fixed assets.

23. INTEREST AND FX GAINS AND LOSSES ADDED TO THE PRICE OF BUYING MERCHANDISE OR THE COST OF MANUFACTURING PRODUCTS IN THE FINANCIAL YEAR

In the financial year ending 31 December 2020 and in the previous year the Company did not add interest or FX gains and losses to the price of buying merchandise or the cost of manufacturing products.

24. INVENTORIES AT PURCHASE PRICE

<i>(in thousands of PLN)</i>	<i>31.12.2020</i>	<i>31.12.2019</i>
1. Materials	34,968	-
2. Merchandise	812,649	601,195
Total inventories measured at the net sales price	847,617	601,195

The Group allocates the relevant portion of the costs of delivering goods to points of sales to specify the purchase price of inventories in the Group's commercial facilities. The Company conducts a periodic inventory of inventories. To restate them at the end of the period the inventory provision is estimated. As at 31 December 2020, the value of this provision was PLN 27,035 thousand (PLN 15,767 thousand as at 31 December 2019). As at 31 December 2020, the Group established an impairment loss to the net sales price of PLN 6,908 thousand (PLN 600 thousand as at 31 December 2019).

25. INFORMATION CONCERNING REVENUES, EXPENSES AND THE RESULTS OF DISCONTINUED ACTIVITY IN THE FINANCIAL YEAR OR OF ACTIVITY THAT IS EXPECTED TO BE DISCONTINUED IN THE SUBSEQUENT YEAR

The Company did not discontinue any activity in the financial year, nor does it intend to discontinue any type of activity in the following year.

26. INCOME TAX

The reconciliation of profit before tax to taxable income is as follows:

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	<i>01.01.2020- 31.12.2020</i>	<i>01.01.2019- 31.12.2019</i>
Gross profit (loss) for the year	578,460	392,759
Tax exempt revenues (permanent differences between profit/loss for accounting purposes and the profit/loss for taxation purposes) including:	-	-
Revenues not subject to taxation in the current year, including:	(30,567)	(18,794)
- accrued interest	(4,187)	(5,573)
- foreign exchange gains	(30)	(42)
- inventory adjustment at purchase price	9,947	453
- deferred income	(35,877)	(13,380)
- discount of trade payables	(420)	(252)
Revenues subject to taxation in the current year, recognized in the accounting ledgers of previous years, including:	2,926	1,439
- interest on loan agreements / accrued interest	2,884	1,236
- foreign exchange gains	42	203
Expenses not constituting tax-deductible expenses (permanent differences between profit/loss for accounting purposes and the profit/loss for taxation purposes) including:	5,305	1,047
- other (including interest, donations, other costs)	5,305	1,047
Expenses not recognized as tax-deductible expenses in the current year, including:	82,920	26,124
- differences between depreciation for tax purposes and for balance sheet purposes	12,655	7,530
- provision for unused holiday leave and other employee benefits (including salaries / bonuses)	22,601	10,023
- social security contributions, payroll for November - December	31,600	23,434
- mandate contracts paid in the subsequent year	906	788
- finance leases / operation leases in the balance sheet	(33,884)	(40,612)
- provision for other expenses (including security services, energy costs, liabilities requiring safety deposits)	46,973	24,235
- accrued interest, foreign exchange gains and losses	2,069	726
Expenses recognized as tax-deductible expenses in the current year, recognized in the accounting ledgers of previous years, including:	(30,287)	(25,317)
- provision for employee benefits / bonuses	(4,619)	(4,041)
- social security contributions, payroll for November - December	(23,434)	(17,928)
- mandate contracts paid in the subsequent year	(554)	(707)
- provision for other costs (including energy)	(1,346)	(2,332)
- other (including interest, foreign exchange gains and losses)	(334)	(309)
Taxable income	608,757	377,258
Income deductions	926	-
Taxable income	607,831	377,258
Income tax	115,488	71,679
Other changes	465	-
Movement in the provision / deferred tax asset	(5,529)	2,879
Total income tax	110,424	74,558

Regulations regarding VAT, corporate and personal income tax and social security contributions are subject to frequent changes. As a result, there is frequently no reference to entrenched regulations or legal precedents. The binding regulations also contain uncertainties resulting in differences in opinions regarding the legal interpretation of tax regulations between government authorities and between government authorities and companies. Tax settlements and others (e.g. customs or foreign currency related issues) may be subject to inspection by administrative authorities authorized to impose high penalties, and any additional liabilities assessed as a result of such an inspection must be paid together plus high interest. These conditions mean that the tax risk in Poland is higher than usually exists in countries with a more mature fiscal system. Tax settlements may be subject to inspection for five years. As a result, the amounts carried in the financial statements may be subject to change at a later date after they are ultimately determined by the tax authorities.

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Differences by virtue of the following form part of the provision / deferred tax asset:

	<i>Balance sheet</i>		<i>Statement of profit or loss for the year ended</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>	<i>31.12.2020</i>	<i>31.12.2019</i>
<i>Deferred tax liability</i>				
Temporary difference in the value of fixed assets	29,039	25,298	3,741	6,725
Accrued interest as at the balance sheet date	2,003	1,756	247	83
Provision for revenues that have not been invoiced	16,869	10,052	6,817	2,542
Foreign exchange gains	5	8	(3)	(29)
Deferred tax liability	47,916	37,114	10,802	9,321
<i>Deferred tax assets</i>				
Provisions for retirement severance benefits	714	480	234	124
Provision for unused holiday leave	7,414	4,952	2,462	904
Provision for employee benefits / bonuses	1,607	877	730	110
Mandate contracts paid in the subsequent year	130	150	(20)	16
Social security contributions	5,994	4,452	1,542	1,046
Difference in measurement of inventories	25,649	15,915	9,734	4,228
Provision for auditing the financial statements	20	13	7	(77)
Accrued interest as at the balance sheet date	2,622	2,350	272	78
Provision for other costs	2,367	997	1,370	31
Impairment losses established for current receivables	-	-	-	(18)
Deferred tax assets	46,517	30,186	16,331	6,442
Deferred tax expense			(5,529)	2,879

27. OTHER OPERATING INCOME

<i>(in thousands of PLN)</i>	<i>01.01.2020-31.12.2020</i>	<i>01.01.2019-31.12.2019</i>
Grants	202	202
Other operating income, including:	6,172	6,081
- reversal of impairment losses for receivables	3	1
- received payments for damages	894	1,056
- income for making timely payments (0.3%)	142	135
- revenues on the sales of PMEF certificates	144	-
- rounding	209	140
- other (including debit notes)	4,780	4,749
Other operating income, total	6,374	6,283

28. OTHER OPERATING EXPENSES

<i>(in thousands of PLN)</i>	<i>01.01.2020-31.12.2020</i>	<i>01.01.2019-31.12.2019</i>
Loss on disposal of non-financial non-current assets, including:	2,325	2,585
- loss on the disposal of fixed assets and intangible assets	2,325	2,585
Other operating expenses, including:	3,161	1,603
- losses resulting from inventory shortages	915	454
- donations	874	400
- other	1,098	622
- written off receivables	274	127
Other operating expenses, total	5,486	4,188

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29. FINANCIAL INCOME

<i>(in thousands of PLN)</i>	<i>01.01.2020-31.12.2020</i>	<i>01.01.2019-31.12.2019</i>
Interest, including:	5,627	7,047
- interest from related companies	5,255	6,829
- bank interest	372	218
Other, including:	3,150	171
- foreign exchange gains and losses	2,085	171
- mortgage collateral	1,063	-
- other financial income	2	-
Financial income, total	8,777	7,218

30. FINANCIAL EXPENSES

<i>(in thousands of PLN)</i>	<i>01.01.2020-31.12.2020</i>	<i>01.01.2019-31.12.2019</i>
Interest, including:	48,575	55,661
- interest paid to related companies	885	187
- interest on trade payables	19,983	27,078
- bank interest	15,692	19,006
- interest on lease agreements	1,708	3,173
- interest on bonds	6,859	6,173
- other interest	3,448	44
Other, including:	7,933	6,415
- other financial expenses (commissions, sureties)	7,933	6,415
Financial expenses, total	56,508	62,076

Interest on trade payables includes amounts charged for discounting them and interest on factoring

31. THE VALUE OF FOOD GIVEN TO NON-GOVERNMENTAL ORGANIZATIONS FOR THESE ORGANIZATIONS TO USE TO DISCHARGE THE TASKS FALLING WITHIN THE SCOPE PRESCRIBED BY ART. 2 ITEM 2 OF THE ACT OF 19 JULY 2019 ON MITIGATING THE WASTE OF FOOD (JOURNAL OF LAWS, ITEM 1980)

The value of food given to non-governmental organizations in 2020 was PLN 103 thousand and was recognized in the financial statements as an operating expense.

32. COST OF MANUFACTURING FIXED ASSETS UNDER CONSTRUCTION

<i>(in thousands of PLN)</i>	<i>Year ended 31.12.2020</i>	<i>Year ended 31.12.2019</i>
Cost of manufacturing fixed assets under construction, including:	19,418	11,047
- costs of the investment department	19,418	11,047

33. INCOME AND COSTS OF AN EXTRAORDINARY AMOUNT OR THAT OCCURRED INCIDENTALLY

In the financial year ending 31 December 2020 and in the previous year there were no extraordinary revenue or costs or that occurred incidentally.

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34. COMPOSITION OF CASH IN THE STATEMENT OF CASH FLOWS

<i>(in thousands of PLN)</i>	<u>31.12.2020</u>	<u>31.12.2019</u>
Cash in the bank	148,040	23,360
- current accounts	148,040	23,360
Cash on hand	32,573	39,731
Other cash	243,032	314,646
- current deposits	228,460	298,407
- cash <i>en route</i>	14,572	16,239
Cash, total	423,645	377,737

The cash on VAT accounts is restricted cash. As at 31 December 2020 the amount of this cash was PLN 1 thousand (PLN 54 thousand in 2019).

35. REASONS FOR DIFFERENCES BETWEEN THE BALANCE SHEET MOVEMENTS IN SOME LINE ITEMS AND THE MOVEMENTS FOLLOWING FROM THE STATEMENT OF CASH FLOWS

<i>Interest and profit sharing (in thousands of PLN)</i>	<u>01.01.2020-31.12.2020</u>	<u>01.01.2019-31.12.2019</u>
Result on financing activity for interest	42,948	48,614
Financial expenses - commissions and sureties received	6,003	265
Interest and profit sharing in the statement of cash flows	48,951	48,879

<i>Receivables (in thousands of PLN)</i>	<u>01.01.2020-31.12.2020</u>	<u>01.01.2019-31.12.2019</u>
Balance sheet movement in net non-current and current receivables	(42,072)	(4,244)
Movement in receivables on the sale of fixed assets	(88)	(1,241)
Movement in receivables in the statement of cash flows	(42,160)	(5,485)

<i>Liabilities (in thousands of PLN)</i>	<u>01.01.2020-31.12.2020</u>	<u>01.01.2019-31.12.2019</u>
Balance sheet movement of current and non-current liabilities	576,683	605,691
Balance sheet movement of current and non-current loans and borrowings	(152,631)	(44,072)
Movement in finance lease liabilities	41,329	6,117
Movement in liabilities for the fees for received sureties	1,025	6,150
Movement in settlements on the purchase of fixed assets	(23,146)	(17,878)
Movement in bonds	(150,000)	(170,723)
Movement in liabilities in the statement of cash flows	293,260	385,285

36. INFORMATION CONCERNING HEADCOUNT WITH A BREAKDOWN INTO OCCUPATIONAL GROUPS

<i>Group of employees</i>	<u>Year ended 31.12.2020</u>	<u>Year ended 31.12.2019</u>
Management Board	3	3
White-collar employees	1,695	1,498
Blue-collar employees	22,444	17,745
Headcount, total	24,142	19,246

37. INFORMATION CONCERNING THE FEE CHARGED BY THE STATUTORY AUDITOR OR THE ENTITY AUTHORIZED TO AUDIT THE FINANCIAL STATEMENTS

The table below presents the fee charged by the entity authorized to audit the financial statements paid or due for the year ended 31 December 2020 and 31 December 2019 split by the types of services:

<i>Type of services</i>	<i>Year ended 31.12.2020</i>	<i>Year ended 31.12.2019</i>
Obligatory audit of the annual financial statements	224	282
Review of the interim financial statements	71	71
Other services	-	-
Tax advisory services	-	-
Total, including:	295	353
- due as at the balance sheet date	104	176
- paid as at the balance sheet date	191	177

38. INFORMATION CONCERNING COMPENSATION, INCLUDING COMPENSATION FROM PROFIT AND PENSION BENEFITS PAID OR DUE TO PERSONS IN THE MANAGING AND SUPERVISING OR ADMINISTERING BODIES

The compensation of the persons in the Company's managing and supervising or administering bodies was as follows:

<i>Employee benefits (in thousands of PLN)</i>	<i>Year ended 31.12.2020</i>	<i>Year ended 31.12.2019</i>
Company's Management Board	2,019	1,678
Supervisory Board	376	346
Compensation, total	2,395	2,024

Mr. Szymon Piduch received additional compensation of PLN 163 thousand for advisory services in the period from July to December 2020.

39. INFORMATION ABOUT LOANS AND BENEFITS OF A SIMILAR NATURE EXTENDED TO PERSONS IN THE MANAGING AND SUPERVISING OR ADMINISTERING BODIES

In the financial year ending 31 December 2020 and in the previous year the Company did not extend any loans or benefits of a similar nature to persons in the managing and supervising or administering bodies.

40. INFORMATION ABOUT JOINT VENTURES NOT SUBJECT TO CONSOLIDATION

The Company did not undertake any joint ventures not subject to consolidation.

41. INFORMATION ABOUT THE GROUP AND TRANSACTIONS WITH RELATED ENTITIES

a) Group

The Company functions within the Dino Polska Group.

The Company prepares consolidated financial statements for the group in which it is the parent company.

b) Transactions with other related parties, including parties along with the Company that are under the parent company's joint control

The size of transactions with subsidiaries and associates was as follows:

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"Agro-Rydzyzna" spółka z ograniczoną odpowiedzialnością
(in thousands of PLN)

	Year ended 31.12.2020	Year ended 31.12.2019
	<i>Total</i>	<i>Total</i>
Procurements	1,241,246	951,391
Sales	5,217	3,138

(in thousands of PLN)

	31.12.2020	31.12.2019
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	5	93
Payables on account of goods, work and services	266,402	196,953
Other receivables	3	-

Vitrena Holdings Ltd
(in thousands of PLN)

	31.12.2020	31.12.2019
	<i>Total</i>	<i>Total</i>
Other payables	-	1

Centrum Wynajmu Nieruchomości spółka z ograniczoną odpowiedzialnością

(in thousands of PLN)

	Year ended 31.12.2020	Year ended 31.12.2019
	<i>Total</i>	<i>Total</i>
Procurements	36,495	30,576
Sales	1,720	1,744
Sales - sureties	675	-
Other sales	-	100
Interest – financial income	1,855	3,097

(in thousands of PLN)

	31.12.2020	31.12.2019
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	591	362
Payables on account of goods, work and services	685	3,707
Loans granted	56,107	81,252
Loans received	1,571	-
Receivables for mortgage sureties	675	-
Other payables	2,044	4,755

Centrum Wynajmu Nieruchomości I S.A.

(in thousands of PLN)

	Year ended 31.12.2020	Year ended 31.12.2019
	<i>Total</i>	<i>Total</i>
Procurements	15,897	15,238
Sales	19	66
Interest - financial expenses	290	119
Interest – financial income	224	27

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<i>(in thousands of PLN)</i>	<i>31.12.2020</i>	<i>31.12.2019</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	7	3
Payables on account of goods, work and services	-	2,581
Loans granted	34,719	27
Loans received	99	13,615
Other receivables	-	1
Other payables	-	653

Centrum Wynajmu Nieruchomości 2 S.A.

<i>(in thousands of PLN)</i>	<i>Year ended</i> <i>31.12.2020</i>	<i>Year ended</i> <i>31.12.2019</i>
	<i>Total</i>	<i>Total</i>
Procurements	15,987	14,909
Sales	14	20
Interest – financial income	338	637

<i>(in thousands of PLN)</i>	<i>31.12.2020</i>	<i>31.12.2019</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	4	2
Payables on account of goods, work and services	1,557	2,867
Loans granted	7,094	11,424
Loans received	1,522	-
Other receivables	-	2
Other payables	-	2,185

Centrum Wynajmu Nieruchomości 3 S.A.

<i>(in thousands of PLN)</i>	<i>Year ended</i> <i>31.12.2020</i>	<i>Year ended</i> <i>31.12.2019</i>
	<i>Total</i>	<i>Total</i>
Procurements	14,213	13,211
Sales	14	15
Interest – financial income	-	238

<i>(in thousands of PLN)</i>	<i>31.12.2020</i>	<i>31.12.2019</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	4	-
Payables on account of goods, work and services	2,592	2,549
Loans granted	-	640
Loans received	6,052	-
Other payables	-	1,844

Centrum Wynajmu Nieruchomości 4 S.A.

<i>(in thousands of PLN)</i>	<i>Year ended</i> <i>31.12.2020</i>	<i>Year ended</i> <i>31.12.2019</i>
	<i>Total</i>	<i>Total</i>
Procurements	22,702	12,470
Sales	22	16
Sales - sureties	388	-
Interest – financial income	1,750	991

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<i>(in thousands of PLN)</i>	<i>31.12.2020</i>	<i>31.12.2019</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	6	-
Payables on account of goods, work and services	7,201	1,221
Loans granted	17,426	51,067
Loans received	1,053	
Receivables for mortgage sureties	226	-
Other receivables	1	-
Other payables	-	1,354

Centrum Wynajmu Nieruchomości 5 S.A.

<i>(in thousands of PLN)</i>	<i>Year ended</i> <i>31.12.2020</i>	<i>Year ended</i> <i>31.12.2019</i>
	<i>Total</i>	<i>Total</i>
Procurements	12,785	11,806
Sales	14	162
Interest - financial expenses	193	47
Interest – financial income	-	154

<i>(in thousands of PLN)</i>	<i>31.12.2020</i>	<i>31.12.2019</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	4	-
Payables on account of goods, work and services	1,223	2,314
Loans granted	-	206
Loans received	10,617	4,591
Other payables	-	1,331

Centrum Wynajmu Nieruchomości 6 S.A.

<i>(in thousands of PLN)</i>	<i>Year ended</i> <i>31.12.2020</i>	<i>Year ended</i> <i>31.12.2019</i>
	<i>Total</i>	<i>Total</i>
Procurements	14,816	13,942
Sales	14	25
Other sales	-	10
Interest – financial income	29	308

<i>(in thousands of PLN)</i>	<i>31.12.2020</i>	<i>31.12.2019</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	4	1
Payables on account of goods, work and services	4,204	2,307
Loans granted	5	2,086
Loans received	3,314	-
Other receivables	-	9
Other payables	-	2,063

PIK Finanse spółka z ograniczoną odpowiedzialnością

<i>(in thousands of PLN)</i>	<i>Year ended</i> <i>31.12.2020</i>	<i>Year ended</i> <i>31.12.2019</i>
	<i>Total</i>	<i>Total</i>
Sales	14	8

<i>(in thousands of PLN)</i>	<i>31.12.2020</i>	<i>31.12.2019</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	3	-
Loans received	10,896	10,896
Other receivables	5	-

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Dino Krotoszyn spółka z ograniczoną odpowiedzialnością

(in thousands of PLN)

	Year ended 31.12.2020	Year ended 31.12.2019
	Total	Total
Procurements	23,879	22,168
Sales	133	268
Interest - financial expenses	402	21
Interest – financial income	-	10

(in thousands of PLN)

	31.12.2020	31.12.2019
	Total	Total
Receivables on account of goods, work and services	38	20
Payables on account of goods, work and services	8,303	5,823
Loans received	10,423	10,021
Other receivables	-	1

Dino Oil spółka z ograniczoną odpowiedzialnością

(in thousands of PLN)

	Year ended 31.12.2020	Year ended 31.12.2019
	Total	Total
Procurements	8	2
Sales	7	7
Interest – financial income	4	3

(in thousands of PLN)

	31.12.2020	31.12.2019
	Total	Total
Receivables on account of goods, work and services	2	-
Payables on account of goods, work and services	-	2
Loans granted	-	202

Dino Północ spółka z ograniczoną odpowiedzialnością

(in thousands of PLN)

	Year ended 31.12.2020	Year ended 31.12.2019
	Total	Total
Sales	3	3

(in thousands of PLN)

	31.12.2020	31.12.2019
	Total	Total
Receivables on account of goods, work and services	38	33

Dino Południe spółka z ograniczoną odpowiedzialnością

(in thousands of PLN)

	Year ended 31.12.2020	Year ended 31.12.2019
	Total	Total
Procurements	52,166	29,183
Sales	233	154
Interest – financial income	1,055	1,364

(in thousands of PLN)

	31.12.2020	31.12.2019
	Total	Total
Receivables on account of goods, work and services	65	11
Payables on account of goods, work and services	11,788	14,266
Loans granted	29,689	29,635

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Dino Najbliżej Ciebie Foundation

(in thousands of PLN)

	Year ended 31.12.2020	Year ended 31.12.2019
	<i>Total</i>	<i>Total</i>
Sales	2	2

Agrofirma Spółdzielcza

(in thousands of PLN)

	Year ended 31.12.2020	Year ended 31.12.2019
	<i>Total</i>	<i>Total</i>
Purchases	195	-
Sales	10	-

TBE spółka z ograniczoną odpowiedzialnością

(in thousands of PLN)

	Year ended 31.12.2020	Year ended 31.12.2019
	<i>Total</i>	<i>Total</i>
Sales	5	5

(in thousands of PLN)

	31.12.2020	31.12.2019
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	1	1

Krot Invest KR Inżynieria sp. z o.o. SKA

(in thousands of PLN)

	Year ended 31.12.2020	Year ended 31.12.2019
	<i>Total</i>	<i>Total</i>
Purchases	407,823	339,940
Sales	857	732

(in thousands of PLN)

	31.12.2020	31.12.2019
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	334	463
Payables on account of goods, work and services	25	-
Other receivables	17	17
Other payables	249	96,545

Krot Invest 2 KR Inżynieria sp. z o.o. sp.k.

(in thousands of PLN)

	Year ended 31.12.2020	Year ended 31.12.2019
	<i>Total</i>	<i>Total</i>
Purchases	22,691	16,571
Sales	36	4

(in thousands of PLN)

	31.12.2020	31.12.2019
	<i>Total</i>	<i>Total</i>
Payables on account of goods, work and services	1,463	3,188
Other payables	119,699	215

42. TRANSACTIONS WITH OTHER RELATED PARTIES ON A NON-ARM'S LENGTH BASIS

Transactions concluded by the Company with its related entities in the year ended 31 December 2020 and in the preceding year were concluded on an arm's length basis.

43. LIST OF ENTITIES IN WHICH THE COMPANY IS A SHAREHOLDER INCURRING UNLIMITED MATERIAL LIABILITY

In the financial year ended 31 December 2020 and in the previous year the Company was not a shareholder incurring unlimited material liability in any entity.

44. LIST OF ENTITIES IN WHICH THE COMPANY HOLDS CAPITAL OR VOTES IN THE ENTITY'S DECISION-MAKING BODY

31 December 2020

Name of the entity	Registered office	Carrying amount of the ownership interest / shares	Share in equity (%)	Net profit / (loss) for the year ended 31 December 2020	Equity as at 31 December 2020
"Agro-Rydzyzna" sp. z o.o.	Poland, Kłoda	99,771	100%	84,914	238,952
Centrum Wynajmu Nieruchomości sp. z o.o.	Poland, Krotoszyn	28,451	100%	12,786	70,933
Dino Krotoszyn sp. z o.o.	Poland, Krotoszyn	4,000	100%	8,110	43,419
Dino Najbliżej Ciebie Foundation**	Poland, Krotoszyn	10	100%	-	-
Dino Oil Sp. z o.o.**	Poland, Krotoszyn	5	100%	420	566
Dino Południe sp. z o.o.	Poland, Krotoszyn	10,005	100%	10,239	30,348
Dino Północ sp. z o.o.**	Poland, Krotoszyn	5	100%	(5)	(38)
Centrum Wynajmu Nieruchomości 1 S.A.	Poland, Krotoszyn	139,061	99%	12,089	175,260
Centrum Wynajmu Nieruchomości 2 S.A.	Poland, Krotoszyn	91,195	99%	9,276	135,057
Centrum Wynajmu Nieruchomości 3 S.A.	Poland, Krotoszyn	90,147	99%	8,674	131,341
Centrum Wynajmu Nieruchomości 4 S.A.	Poland, Krotoszyn	99,944	99%	11,857	141,337
Centrum Wynajmu Nieruchomości 5 S.A.	Poland, Krotoszyn	98,198	99%	8,678	137,651
Centrum Wynajmu Nieruchomości 6 S.A.	Poland, Krotoszyn	94,839	99%	8,855	133,616
PIK Finanse sp. z o.o.**	Poland, Krotoszyn	200	100%	566	10,431

31 December 2019

Name of the entity	Registered office	Carrying amount of the ownership interest / shares	Share in equity (%)	Net profit / (loss) for the year ended 31 December 2019	Equity as at 31 December 2019
"Agro-Rydzyzna" sp. z o.o.*	Poland, Kłoda	99,771	100%	22,623	154,037
Vitrena Holdings Ltd.**	Cyprus, Limassol	4	100%	-	-
Centrum Wynajmu Nieruchomości sp. z o.o.	Poland, Krotoszyn	28,451	100%	11,174	58,147
Dino Krotoszyn sp. z o.o.	Poland, Krotoszyn	4,000	100%	5,194	35,310
Dino Najbliżej Ciebie Foundation**	Poland, Krotoszyn	10	100%	-	-
Dino Oil Sp. z o.o.**	Poland, Krotoszyn	5	100%	178	146
Dino Południe sp. z o.o.**	Poland, Krotoszyn	10,005	100%	2,622	20,108
Dino Północ sp. z o.o.**	Poland, Krotoszyn	5	100%	(4)	(33)
Centrum Wynajmu Nieruchomości 1 S.A.	Poland, Krotoszyn	139,061	99%	11,768	163,171
Centrum Wynajmu Nieruchomości 2 S.A.	Poland, Krotoszyn	91,195	99%	8,331	125,785
Centrum Wynajmu Nieruchomości 3 S.A.	Poland, Krotoszyn	90,147	99%	7,936	122,667
Centrum Wynajmu Nieruchomości 4 S.A.	Poland, Krotoszyn	99,944	99%	7,390	129,481
Centrum Wynajmu Nieruchomości 5 S.A.	Poland, Krotoszyn	98,198	99%	7,711	128,972
Centrum Wynajmu Nieruchomości 6 S.A.	Poland, Krotoszyn	94,839	99%	7,958	124,761
PIK Finanse sp. z o.o.**	Poland, Krotoszyn	200	100%	201	9,865

* Company's tentative data before audit by auditor

** Company not subject to audit by a statutory auditor

The percentage of voting rights corresponds to the shareholding in the share capital.

45. AVOIDANCE OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Company prepares consolidated financial statements.

46. MERGER OF COMMERCIAL COMPANIES

The company did not merge with other entities during the financial year ending 31 December 2020 and the previous year.

47. FINANCIAL INSTRUMENTS

Objectives and principles of managing financial risk

The Company is exposed to market risk, which encompasses mostly the risk of changing interest rates, but is not exposed to foreign exchange rate fluctuation risk. The Company does not hold and does not issue any financial derivatives held for trading.

The Company has guidelines and recommendations in place for managing financial risk, which define its comprehensive operating strategies, risk tolerance level and the overall risk management philosophy.

Interest rate risk

The Company's exposure to market risk caused by volatility of interest rates concerns primarily received loans and concluded lease contracts. The Company does not hedge its investment portfolio using financial derivatives.

Foreign exchange risk

Since a predominant part of the revenues and costs is on Polish zloty, the Company is not exposed to any material foreign exchange risk on account of its transactions.

Credit risk

Due to the nature of the Company (predominant part of the turnover is in cash) credit risk is insignificant. The Company does not use and hedging against credit risk. Potential credit risk pertains to trade receivables and granted loans, including loans granted to subsidiaries which, as at 31 December 2020, amount to PLN 145,040 thousand.

Interest income and costs following from concluded contracts

The table below presents the interest income and costs following from concluded contracts and pertaining to all of the Company's financial instruments, which were in the financial statements.

Year ended 31 December 2020

<i>Financial asset / liability category</i>	<i>Realized interest</i>	<i>Accrued interest (unrealized)</i>		
		<i>up to 3 months</i>	<i>from 3 to 12 months</i>	<i>over 12 months</i>
Granted loans and own receivables	4,558	1,068	-	-
Liabilities held for trading	19,983	-	-	-
Other short-term financial liabilities	27,482	1,110	-	-

Year ended 31 December 2019

<i>Financial asset / liability category</i>	<i>Realized interest</i>	<i>Accrued interest (unrealized)</i>		
		<i>up to 3 months</i>	<i>from 3 to 12 months</i>	<i>over 12 months</i>
Granted loans and own receivables	3,657	3,390	-	-
Liabilities held for trading	27,078	-	-	-
Other short-term financial liabilities	28,268	315	-	-

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Description of financial instruments

31 December 2020

	<i>Financial assets held to maturity</i>	<i>Granted loans and own receivables</i>	<i>Financial assets held for trading</i>	<i>Financial assets available for sale</i>	<i>Other financial liabilities</i>
Quantity of financial instruments	5	38	-	-	460
Value of financial instruments	228,460	145,040	-	-	1,207,872
Material terms and dates, which may influence the size, time distribution and certainty of future cash flows	Current bank term deposits	Loans granted for up to one year, fixed interest rate	Current financing loans received from related entities for up to 4 years, fixed interest rate.		
			Operating and financial lease agreements entered into with, among others, ING Leasing, BRE Leasing, PKO Leasing, Santander Leasing - agreements concluded for a term from 2 to 5 years. Loan agreements (notes 11, 18)		
			Outstanding bonds bearing interest at a floating-rate plus margin.		

31 December 2019

	<i>Financial assets held to maturity</i>	<i>Granted loans and own receivables</i>	<i>Financial assets held for trading</i>	<i>Financial assets available for sale</i>	<i>Other financial liabilities</i>
Quantity of financial instruments	6	43	-	-	939
Value of financial instruments	298,407	176,539	-	-	939,454
Material terms and dates, which may influence the size, time distribution and certainty of future cash flows	Current bank term deposits	Loans granted for up to one year, fixed interest rate	Current financing loans received from related entities for up to 4 years, fixed interest rate.		
			Operating and financial lease agreements entered into with, among others, ING Leasing, BRE Leasing, PKO Leasing, Santander Leasing - agreements concluded for a term from 2 to 5 years. Loan agreements (notes 11, 18)		
			Outstanding bonds bearing interest at a floating-rate plus margin.		

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Fair value

The Company believes that the carrying amounts of all the financial instruments presented in the financial statements are no different from their fair values.

	<i>Carrying amount</i>	
	<i>31.12.2020</i>	<i>31.12.2019</i>
<i>Financial assets</i>		
Cash	423,645	377,737
Trade receivables	48,640	45,582
Other financial assets (non-current)	755,831	755,835
Total	1,228,116	1,179,154
<i>Financial liabilities</i>		
Trade payables	944,298	1,042,467
Trade payables in factoring, including supplier finance programs	601,969	272,013
Interest-bearing bank credit and loans:		
- finance lease and hire-purchase liabilities	50,797	92,126
- Loans and borrowings based on floating interest rate	736,209	576,678
Bonds	420,866	270,650
Total	2,754,139	2,253,934

48. EVENTS AFTER THE REPORTING PERIOD

On 12 January 2021 Mr. Szymon Piduch tendered his resignation from serving in the capacity of a Supervisory Board member of Dino Polska S.A. with effect as of the moment of its submission. In the opinion of the Management Board, there were no other material events after the balance sheet date requiring disclosure in the consolidated financial statements.